

**Effective 5/13/2014**

**31A-40-203 Covered employee.**

- (1)
- (a) An individual is a covered employee of a professional employer organization if the individual is coemployed pursuant to a professional employer agreement subject to this chapter.
  - (b) An individual who is a covered employee under a professional employer agreement is a covered employee, whether or not the professional employer organization provides the notice required by Subsection 31A-40-202(3), the earlier of the day on which:
    - (i) the employee is first compensated by the professional employer organization; or
    - (ii) the client notifies the professional employer organization of a new hire.
- (2) An individual who is an officer, director, shareholder, partner, or manager of a client is a covered employee:
- (a) to the extent that the client and the professional employer organization expressly agree in the professional employer agreement that the individual is a covered employee;
  - (b) if the conditions of Subsection (1) are met; and
  - (c) if the individual acts as an operational manager or performs day-to-day an operational service for the client.

Amended by Chapter 290, 2014 General Session

Amended by Chapter 300, 2014 General Session