

EMPLOYMENT STAFFING COMPANY REDUCES STAFF



A temporary staffing company headquartered in Milwaukee has announced that it has laid off 500 of its employees in Illinois. The company blamed the high cost of the state's workers' compensation system. The company in question, Parallel Employment Group, had an executive inform the media that the reason for the cutbacks was that the company wanted to lower its workers' compensation costs in Illinois, according to the [Chicago Tribune](#). The executive vice president of the company, Kirk La Du, claimed that the company absorbed 87 percent of its workers' compensation costs in the state of Illinois. The company also operates offices in New York and Wisconsin. The state of Illinois accounts for roughly 35 percent of the company's revenues. "The only reason we are downsizing is competitive issues related to workers' compensation," La Du said. "It seems foolish to us to continue operating in a state where workers' comp made it difficult to make money." According to statistics released by the 2010 Illinois Workers' Compensation Commission, the state of Illinois is one of the most expensive states in the country when it comes to workers' compensation insurance and medical costs. According to the newly released data, the medical costs per claim for the state are 29 percent higher than the median among the 50 states of the country. On the other side of things, the state's injury rate falls 17 percent below the country's median. Pat Quinn, the governor of Illinois, approved legislation back in the summer months. The approved legislation lowered the payments to doctors and medical providers while creating other reforms as well. The reason for the legislation is the fact that companies all across the state have been complaining that the workers' compensation system is too expensive and full of abuse. It is estimated by the National Council on Compensation Insurance that these new legislative changes instituted by Quinn will lower the amount of money spent by Illinois in its workers' compensation system by at least 8.8 percent. Parallel Employment is not sold on the projected savings. The staffing company of Parallel Employment still does not think the new proposal and legislation will make things work effectively when it comes to cost. "We saw the legislation as possibly being a positive move, but we're not convinced the legislation has any real teeth to it," La Du said. The services offered by Parallel Employment, which used to be called P.A. Staffing Service, include providing labor to clients in the industries of light manufacturing and packaging. Parallel Employment announced that it had closed its branches in Wheeling, Crystal Lake, Chicago and Wheeling. Parallel Employment is hoping to keep its branch in Naperville open according to La Du. The laying off of roughly 483 employees is about 15 percent of the business' complete staff. Almost all of the laid off workers from Parallel Employment will be hired by Andrews & Staff Force Inc.