



THE
Contractors
Plan[®]

For Construction Contractors



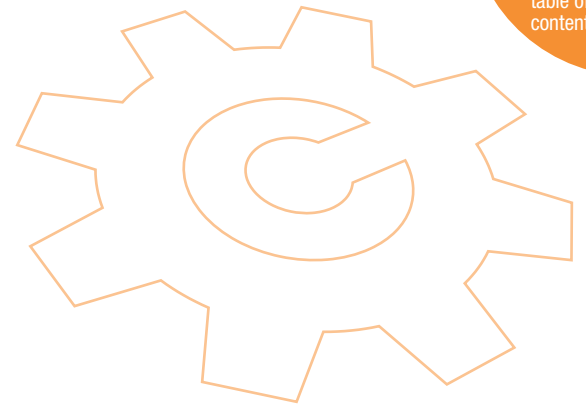
The Contractors Plan[®] Retirement Plan Solution

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The Contractors Plan
Powered by Fringe Benefit Group
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Introduction

Fringe Benefit Group® was the first company to offer benefit plans for prevailing wage workers over 30 years ago, and we are still focused on this market.

We can help you:

- **Cut job costs**
Savings on payroll burden and expenses are immediate – see them on your next payroll.
- **Submit more competitive bids**
The money you save can be the difference between coming in 10th and winning the bid.
- **Provide quality benefits for employees**
In addition to retirement plans, we offer medical, dental, vision, disability, and life insurance solutions.
- **Simplify recordkeeping and administration**
Fully-bundled retirement plan solution, electronic contribution processing and employer interface.
- **Reduce fiduciary risk**
National bank is discretionary trustee.
- **Stay in compliance with DOL, IRS, and state regulations**
We have years of experience working with state and federal agencies.
- **Respond quickly and accurately in the event of an audit**
We partner with you to prepare your responses to inquiries and audits.

Because we specialize in benefits plans for Davis-Bacon and Service Contract Act contractors, we understand the specific needs of this industry. We know you and your staff don't have a lot of time to set up or maintain a plan, so we make the process seamless and trouble-free.

Our in-house experts average more than 20 years of experience in plan design and compliance. We're not only one of the few companies in the United States which handles prevailing wage benefit plans – we were the first.





Payroll Cost Comparison Fringes Paid in Cash vs. The Contractors Plan

Paying the Fringe as Additional Cash Wages

Base Wage	\$30.00
Fringe Amount Paid as Cash	\$10.00
Total Hourly Cash Wage	\$40.00
Payroll Burden Percentage*	25%
Hourly Payroll Tax Burden	\$10.00
Cash Hourly Wage	\$40.00
Total Bid Hourly Cost	<u>\$50.00</u>

Using The Contractors Plan

Base Wage	\$30.00
Total Hourly Cash Wage	\$30.00
Payroll Burden Percentage*	25%
Hourly Payroll Tax Burden	\$7.50
Fringe Amount Paid Into Plan	\$10.00
Total Bid Hourly Cost	<u>\$47.50</u>

With The Contractors Plan, you could see savings of \$2.50 per employee per hour or over 5% of payroll! [Win your next bid... or increase profits.](#)

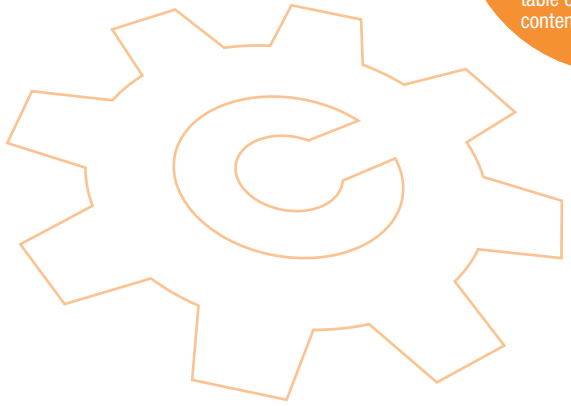
Long-term Savings

25 employees x 2000 hours = 50,000 Hours
 50,000 hours x \$10.00 = \$500,000 in Additional Payroll
 \$500,000 x 25% = **\$125,500 in Company Savings**

	100% of work PW	50% of work PW
Savings over 5 years	\$625,000	\$312,500
Savings over 10 years	\$1,250,000	\$625,000

*FICA: 7.65%; FUTA: 0.80%; SUTA: 1.4%, varies widely from state to state; workers' comp: approx. 20%, varies by state.





Cost Savings Worksheet

1 PAYROLL DATA REQUIRED FOR CALCULATION

FICA: **7.65%**

FUTA: **0.80%**

SUTA: _____ Number of Employees: _____

Workers' Compensation: _____ Approximate Hours Worked: _____

General Liability: _____ Fringe Amount Per Hour: _____

Total Payroll Burden %: _____

2 PAYROLL COST SAVINGS

_____ employees x _____ hours = _____ total hours

_____ hours x _____ fringe rate = _____ in additional payroll

_____ additional payroll x _____ total payroll burden % = _____

SAVINGS

3 TOTAL BOTTOM-LINE IMPACT

Profit-Sharing Savings:..... \$ _____

Employer Match Savings: \$ _____

Deferred Tax Savings:..... \$ _____

PLUS Payroll Cost Savings: \$ _____

Total Impact: \$ _____





Sample Bidder's List

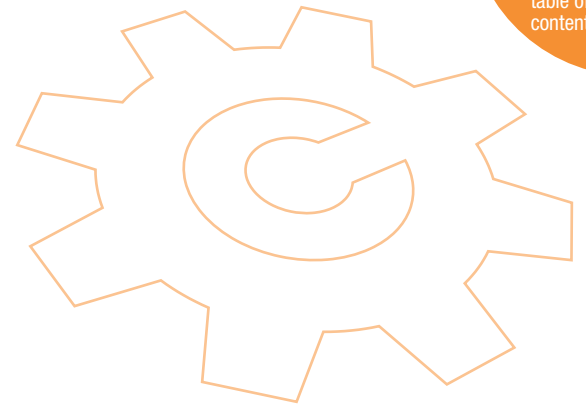
FAIRCHILD HALL REHABILITATION PROJECT
ESTIMATED AMOUNT: \$3,600,000
BIDS OPENED: Friday, January 8, 2012

1.	Scotts Industrial Electric 3178 Bincrete Lane (999) 298-7481	\$674,595.00
2.	Heatherville Electric 360 Industrial Drive (999) 743-1220	\$675,900.00
3.	Johnson Electric 1145 Bellbrook Ave. (999) 372-8205	\$681,000.00
4.	Chappelle Electric 1985 Founders (999) 222-2290	\$732,442.00
5.	Caret Electric Company 3925 Pansini Lane (999) 669-3399	\$735,000.00
6.	Kastle Electric 4501 Libby Blvd. (999) 254-2681	\$740,300.00
7.	BBW Electrical Contractors 3400 Kettering Blvd. (999) 293-6138	\$745,897.00
8.	Debra/Kuempel 1948 W. Phyllis Lane (999) 531-5455	\$770,000.00
9.	Schamberger Electric 6901 Americana Pkwy. (999) 863-1844	\$788,500.00
10.	Mutual Electric 3660 Dayton Park Drive (999) 254-6211	\$809,000.00
11.	Welling Brothers 105 Billips Drive (999) 394-7559	\$913,000.00
12.	Mulligan Electric 8459 N. Main St. (999) 890-9510	\$1,140,000.00

The company that came in second on this bid lost the job by only \$1,305. The savings realized by contributing the benefit portion of the prevailing wage to a bona fide plan could have made up that difference many times over and resulted in a winning bid and reaping additional profits.

While the names of the companies have been changed, the bid amounts were taken from an actual bid opening.





Compliance and Audit Support

Laws pertaining to public works projects can be complex, and failure to comply - even inadvertently - can be costly.

- *What would you do if you received notice of a DOL or IRS audit?*
- *If you currently have a prevailing wage benefit plan, are you confident you could produce requested documentation showing appropriate fringe benefit allocations in a timely manner?*
- *Do you have doubts as to whether you're correctly accounting for benefits you now offer in your prevailing wage benefit plan?*
- *Is your audit trail air tight?*
- *Are you confident you and your subcontractors are in compliance with state and federal regulations?*
- *Can you afford to be debarred from future federal or state work?*

One word sure to strike fear in anyone's heart is "audit." The DOL has increased the number of investigators on staff, including those who focus on prevailing wage requirements. It's almost a certainty that any contractor working on a publicly funded project will be audited.

This heightened focus on compliance means it's crucial for contractors to partner with an experienced company that provides full-service compliance support. In an audit or inquiry situation, the burden of proof is on the contractor. When you partner with Fringe Benefit Group, our team provides support at no additional cost. If you receive a DOL inquiry or notice of an IRS audit, simply contact us. We'll work with you to design your response. And since we handle your recordkeeping, we can quickly and easily verify deposits and provide requested reports and documentation.

We've worked with government contractors and prevailing wage plans for over 30 years, and we've assisted many clients during audits and inquiries. We have established relationships with both the DOL and the IRS. And we have a representative in DC who can speak to the auditor on your behalf.

With an experienced partner like Fringe Benefit Group, audit questions can be resolved with little interruption to your work.

All these services are provided at no additional cost. Should the situation escalate beyond our scope, we can refer you to counsel with expertise in prevailing wage issues.





Plan Design and Consulting

Fringe Benefit Group doesn't try to make your business fit our plan — we tailor **The Contractors Plan** to fit your business. We use our years of experience to ensure you get the most from your plan with our flexible, highly specialized design capabilities.

Retirement Plan Options:

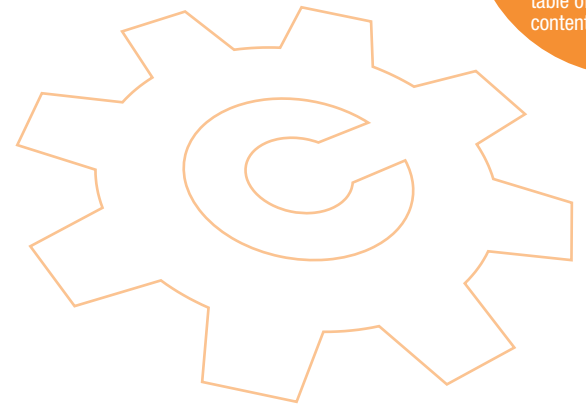
- **Basic Prevailing Wage Plan** – These plans contain only prevailing wage contributions and do not allow for employee elective deferrals or other types of employer contributions.
- **401(k)** – By counting prevailing wage contributions as elective deferrals, owners and highly compensated employees can increase their own contributions.
- **Optional Roth 401(k)** – Contributions are taxed now, but can be withdrawn tax-free at retirement.
- **Safe Harbor 401(k)** – Use prevailing wage contributions to offset safe-harbor employer amounts so owners and highly compensated employees can defer the maximum elective deferrals.
- **Discretionary Match** – Prevailing wage contributions can be counted toward match contributions for employees, reducing the cost to maintain a traditional 401(k) plan.
- **Profit Sharing** – Prevailing wage contributions can be counted toward profit sharing contributions for employees, drastically reducing costs.
- **New Comparability** – New Comparability profit sharing plans allow companies to designate higher employer contributions to select classes of employees, which enables owners and highly compensated employees to contribute the maximum allowed under law to their own retirement accounts.

Fringe Benefit Group has plan design experts in-house who design your benefit plan to maximize its potential for both owners and employees. This enables you to provide quality benefits for your employees, while increasing your own ability to save for retirement at the same time.

Our unparalleled expertise in prevailing wage plans means you have the peace of mind that comes from knowing **The Contractors Plan** is always working for you. We can easily stop plan contributions when your prevailing wage job ends, then start them up again when the next job begins.

Already have a 401(k) plan? No problem. We'll set up a plan specifically for your prevailing wage contributions, and they can be tested together at year-end for compliance. If the amount of prevailing wage work your company does varies widely from year to year, we can adjust your plan to suit your needs.





Prevailing Wage Contributions Can Benefit Owners and Key Employees

Most traditional retirement plan providers don't understand how to use prevailing wage contributions to the advantage of company owners and other highly compensated employees. At Fringe Benefit Group, we analyze your company and your prevailing wage contributions to ensure you are getting the most from your plan.

We can reduce your overall retirement plan expense while increasing the amount of tax deductible match or profit sharing contributions you can allocate to yourself and other key employees. Our goal is to ensure you receive all the benefits you are entitled to under the law.

Contributions made to satisfy prevailing wage obligations can benefit owners in two ways:

1. To increase the amount company owners, family members, and top-paid employees can voluntarily defer into a 401(k) plan.
2. To offset the amount of any match, safe harbor or profit sharing contribution on a dollar-for-dollar basis which a prevailing wage worker would otherwise receive.

We generally refer to Option #1 as **“the boost”** and Option #2 as **“the offset.”** The following pages show how these concepts work.





- Have your highly compensated employees (HCEs) ever received a 401(k) refund – complete with taxes and penalties?
- Are you frustrated by how little you can put into your company’s 401(k) plan due to nondiscrimination testing requirements?

The Contractors Plan can help.

Since we specialize in prevailing wage retirement plans, we know how to use prevailing wage contributions made to your employees’ retirement accounts to provide the most benefit to you and your HCEs.

Participation for owners and HCEs in company 401(k) plans is often extremely limited due to strict IRS rules. Here’s an example of a typical scenario where owners are forced to receive a taxable refund from their 401(k) plans when hourly workers make deferrals of 1% into the plan

NHCE	Pay	Deferrals	PW Contributions <i>(If PW Paid as Additional Cash Wages)</i>	Average Deferral	Test
Secretary	\$25,000	\$1,000	N/A	4%	4%
Bookkeeper	\$35,000	\$1,400	N/A	4%	4%
20 PW Employees	\$1,000,000	\$10,000	\$0	1%	20%
Totals		\$12,400			28%

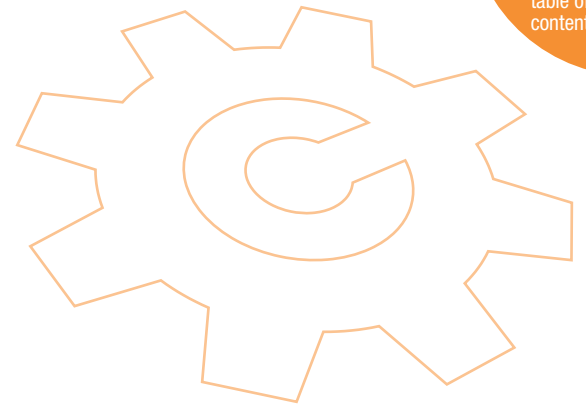
of NHCEs: 22
 NHCE Actual Deferral Percentage: 1.27%
 (28%/22)

Computed Maximum HCE Deferral Percentage: 2.54%
(If the NHCE ADP is below 2%, the maximum HCE deferral % is 2 times the NHCE ADP)

HCE	Pay	Deferrals	PW Contributions	Actual Deferral %	Maximum Deferral %	Maximum Deferral Amount	HCE Taxable Excess
Owner	\$180,000	\$17,000	N/A	9.44%	2.54%	\$4,572	\$13,253.50
Manager	\$115,000	\$17,000	N/A	14.78%	2.54%	\$2,921	\$13,253.50
Totals		\$34,000			2.54%	\$7,493	\$26,507.00

“HCE Taxable Excess” is the amount which would be refunded to HCEs and subject to income tax.





The Fringe Solution: Option #1 – “The Boost”

When determining how much owners and other top staff can defer into their retirement plan, prevailing wage contributions can be treated as if the employee chose to defer those dollars. Conventional 401(k) plans and administrators rarely use this simple yet powerful feature.

Here’s the same plan as the previous page, but this time the owner chose to use 10% of the prevailing wage retirement contributions for a “boost.” Doing so allows the owner and manager to maximize their 401(k) contributions without creating taxable excess income.

NHCE	Pay	Deferrals	PW Contributions	Average Deferral	Test
Secretary	\$25,000	\$1,000	N/A	4%	4%
Bookkeeper	\$35,000	\$1,400	N/A	4%	4%
20 PW Employees	\$1,000,000	\$10,000	\$100,000	11%	220%
Totals		\$12,400	\$100,000		228%

of NHCEs: 22
 NHCE Actual Deferral Percentage: 10.36%
 (228%/22)

Computed Maximum HCE Deferral Percentage: 12.95%

(If the NHCE ADP is greater than 8%, the maximum HCE Deferral % is 1.25 times the NHCE ADP)

HCE	Pay	Deferrals	PW Contributions	Deferral %	Maximum Deferral %	Maximum Deferral Amount	HCE Taxable Excess
Owner	\$180,000	\$17,000	N/A	9.44%	10.20%	\$17,000	\$0
Manager	\$115,000	\$17,000	N/A	14.78%	15.71%	\$17,000	\$0
Totals/Average		\$34,000	N/A	12.11%	12.95%	\$34,000	\$0

Simply by treating prevailing wage contributions as if they were elective deferrals, **both the owner and manager can now defer \$17,000** into their retirement plans. This compares to \$7,493 without the “boost.”





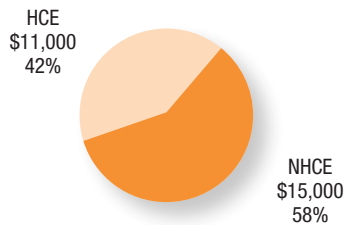
→ *Has the cost of making a profit sharing contribution for all your employees' retirement accounts ever prevented you from putting profit sharing dollars into your own retirement account?*

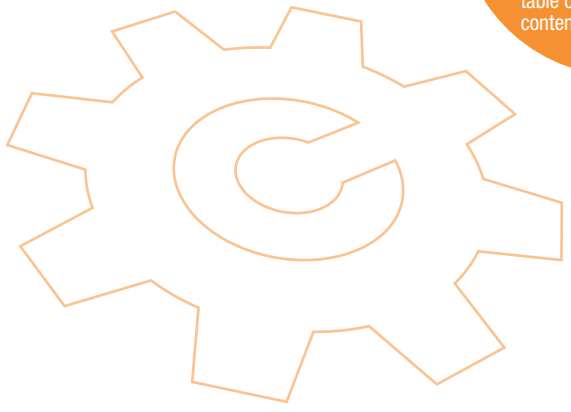
The Contractors Plan can help.

The example below assumes you have not contributed the fringe benefit portion of prevailing wages to The Contractors Plan. At year end, you choose to make a profit sharing contribution. In order to make a 10% profit sharing contribution, a total contribution of \$15,000 would have to be allocated to all non-highly compensated employee (NHCE) accounts.

The Cost of Profit Sharing

	Compensation	Profit Sharing Calculation
HCE		
Owner	\$110,000	\$11,000
HCE Total		\$11,000
NHCE		
Bookkeeper	\$40,000	\$4,000
Employee (PW)	\$50,000	\$5,000
Employee (PW)	\$60,000	\$6,000
NHCE Total		\$15,000
Total Deposit		\$26,000





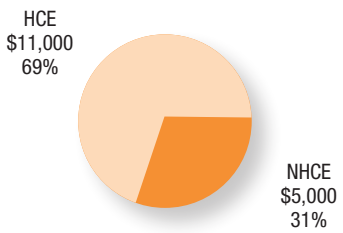
The Fringe Solution: Option #2 – “The Offset”

Because you have already made contributions for prevailing wage employees, you only need to make the full profit-sharing contribution to non-prevailing wage workers. Prevailing wage retirement contributions made for employees can be counted toward the profit sharing amounts due to these employees and used to “offset” the profit sharing contribution.

This option *maximizes retirement benefits* to workers who are unable to participate in conventional retirement plans – *owners and key employees*. In this example the plan saves the employer \$10,000 in profit sharing contributions. This is in addition to the significant payroll burden savings realized by contributing the fringe portion of the prevailing wage to a bona fide retirement plan.

Profit Sharing Contribution with the offset:
10% of Compensation

	Compensation	10% of Pay Calculation	Prevailing Wage Contributions	PW as % of Pay	Profit Sharing Due	Profit Sharing Saved
HCE						
Owner	\$110,000	\$11,000	\$0	0.0%	\$11,000	\$0
HCE Total		\$11,000			\$11,000	\$0
NHCE						
Bookkeeper	\$40,000	\$4,000	\$0	0.0%	\$4,000	\$0
Employee (PW)	\$50,000	\$5,000	\$4,000	8.0%	\$1,000	\$4,000
Employee (PW)	\$60,000	\$6,000	\$7,500	12.5%	\$0	\$6,000
NHCE Total		\$15,000			\$5,000	\$10,000
Total Deposit					\$16,000	
Total Saved						\$10,000





Safe Harbor Plan

Choosing a Safe Harbor Plan allows you to take advantage of both the boost and the offset illustrated on the previous pages.

Safe Harbor contributions must be either:

- An employer contribution of at least 3% of compensation for all employees eligible for 401(k)
- A basic matching contribution of no more than 4% of employee compensation* who make 401(k) deferrals

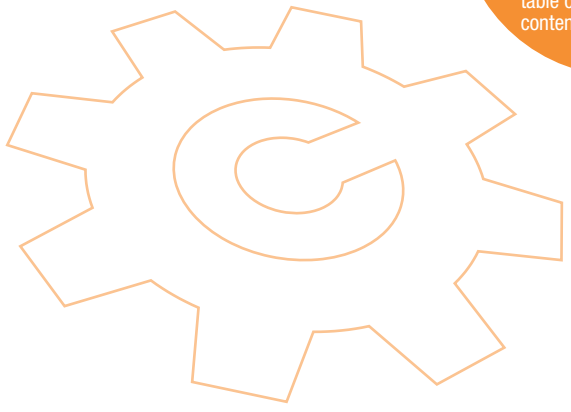
or:

- An enhanced match to those who make 401(k) deferrals

Safe Harbor Plans require that nonelective and matching contributions be fully vested. *Because prevailing wage contributions are fully vested, they count toward fulfilling this requirement.*

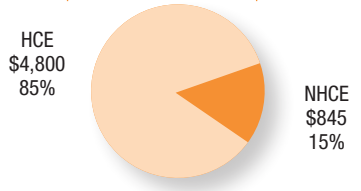
Although it may seem the match option would be more expensive, it's important to remember that the match is based on what employees are contributing — whereas the 3% contribution must be made for all eligible employees, whether they are participating in the plan or not.





Safe Harbor Match Example

	Compensation	401(k) Elective Deferrals	Calculation of Safe Harbor Match ^b	Reduced by Prevailing Wage Contributions	Remaining Deposit for Safe Harbor Match	Total HCE Contributions
HCE						
1	\$120,000	\$22,500 ^a	\$4,800	\$0	\$4,800	\$27,300
NHCE						
1	\$48,779	\$2,439	\$1,951	\$2,000	\$0	
2	\$28,007	\$840	\$840	\$0	\$840	
3	\$47,533	\$2,377	\$1,901	\$1,896	\$5	
4	\$43,330	\$0	\$0	\$800	\$0	
					\$845	To NHCE

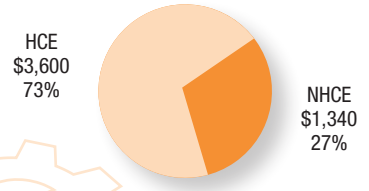


^a 401(k) elective deferral and catch-up contribution for those over 50 years old.

^b Safe Harbor match is deposited only for participants with 401(k) elective deferrals. The formula is 100% of your employee elective deferral contributions that do not exceed 3% of compensation plus 50% of your employee elective deferral contributions that exceed 3% of compensation but do not exceed 5% of compensation.

Safe Harbor 3% Contribution Example

	Compensation	401(k) Elective Deferrals	Calculation of 3% Safe Harbor	Reduced by Prevailing Wage Contributions	Remaining Deposit for 3% Nonelective Safe Harbor	Total HCE Contributions
HCE						
1	\$120,000	\$22,500 ^a	\$3,600	\$0	\$3,600	\$26,100
NHCE						
1	\$48,779	\$2,439	\$1,463	\$2,000	\$0	
2	\$28,007	\$840	\$840	\$0	\$840	
3	\$47,533	\$2,377	\$1,426	\$1,896	\$0	
4	\$43,330	\$0	\$1,300	\$800	\$500	
					\$1,340	To NHCE



^a 2012 maximum 401(k) elective deferral and catch-up contribution.





New Comparability Plan

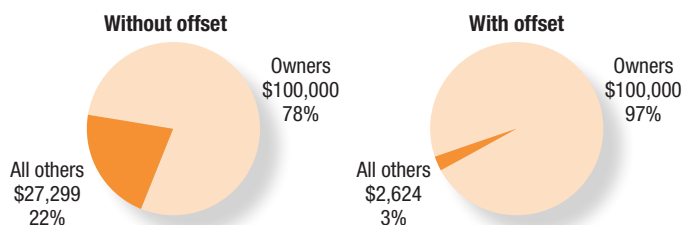
New Comparability Plans enable company owners to maximize contributions to their own retirement accounts by allowing the establishment of two or more classes of employees who receive different profit sharing percentages.

In general, many companies that use the New Comparability Plan design establish one class for owners and other select employee groups, and another for hourly employees. New Comparability rules allow you to designate higher contributions to select employee groups — in this case, the owners. In addition, the amounts may be offset by prevailing wage contributions like the prior examples.

New Comparability Profit Sharing Example

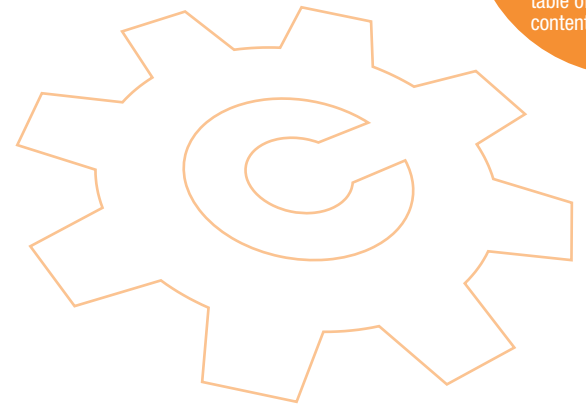
Group 1: Owners and Managers 33% Group 2: All others 5%

	Group #	Compensation	Age	Profit Sharing Calculation	OR	Reduced by Prevailing Wage Contribution	Additional Deposit for Profit Sharing Contribution
HCE							
Owner	1	\$151,515.00	49	\$50,000.00		\$0.00	\$50,000.00
Owner	1	\$151,515.00	57	\$50,000.00		\$0.00	\$50,000.00
Employee*	2	\$112,000.00*	37	\$5,600.00		\$9,320.20	\$0.00
HCE Totals		\$415,000.00		\$105,600.00		\$9,320.20	\$100,000.00
NHCE							
Employee	2	\$16,804.97	21	\$840.25		\$1,233.45	\$0.00
Employee	2	\$18,108.86	34	\$905.44		\$1,000.00	\$0.00
Employee	2	\$4,944.01	29	\$247.20		\$0.00	\$247.20
Employee	2	\$60,733.29	22	\$3,036.66		\$5,926.75	\$0.00
Employee	2	\$67,562.16	44	\$3,378.11		\$3,000.00	\$378.11
Employee	2	\$19,903.17	32	\$995.16		\$0.00	\$995.16
Employee	2	\$98,736.74	31	\$4,936.84		\$5,000.00	\$0.00
Employee	2	\$97,001.70	29	\$4,850.09		\$6,000.00	\$0.00
Employee	2	\$50,194.20	59	\$2,509.71		\$1,505.83	\$1,003.88
NHCE Totals		\$433,989.10		\$21,699.46		\$23,666.03	\$2,624.35
HCE + NHCE Totals		\$848,989.10		\$127,299.46		\$32,986.23	\$102,624.35



The good news is you don't have to worry if your plan meets these requirements. Fringe Benefit Group's in-house experts have the know-how to design your plan and ensure it remains in compliance.

*HCE determination based on prior year compensation.



Plan Investments

The Contractors Plan works directly with Nationwide and Transamerica insurance companies for investment options. The specific investment funds made available are professionally selected and monitored by the corporate trustee, American National Bank of Texas (ANBTX). ANBTX was established in 1875 and has provided trust services since 1927. As a national bank, it is subject to the U.S. Office of the Comptroller of the Currency for oversight and standards. ANBTX serves as a discretionary trustee, whereas most corporate trustees only provide “directed” trust services, where the real liability for investment selection falls to you, the plan sponsor.

The Contractors Plan offers participant-directed or trustee-directed investment approach. You can choose the one that is right for your employees and for the company.

Trustee-Directed: With a trustee-directed plan, ANBTX chooses the investments, not the participant. This reduces the “overhead” associated with employee education and the company’s compliance with an extensive set of regulations that comes with participant directed plans. Rather than expecting employees in the plan to be investment savvy or to try to educate them on the best approach to investing for retirement, this is taken care of by the trustee. Just how knowledgeable are your employees when it comes to investments? Compare their knowledge to the trust retirement group at ANBTX – who combined have over 100 years of experience with retirement planning and investment.

Participant Directed: While there are advantages for trustee-directed plans, participant directed plans are very popular. The investment lineup is established by ANBTX, but the final choice of specific investment funds are made by the employees. The Contractors Plan offers two primary options for participant directed plan investments:

- **Target-Date Funds** – The target-date fund lineup consists of managed investment funds that “target” an employee’s expected retirement date. Currently these range from 2010 to 2050, and go from lower risk/volatility to higher, the younger the employee. In addition, this set of options includes a target “income” fund which is very conservatively managed to avoid major losses during retirement years, but has some upside potential even during retirement. The target date funds are managed by Manning & Napier. In addition to the Target-Date funds, the platform offers several “traditional” funds with specific investments and objectives, for example large cap or small cap U.S. stock funds, to round out the options available in the core fund lineup.
- **Lifestyle Funds** – The lifestyle funds offer 4 Manning & Napier funds with varying expected returns, risk and volatility, so that participants can choose what best suits their retirement planning needs, and their current age and risk tolerance. The funds range from conservative to aggressive investment styles. In addition to the Lifestyle funds, the platform offers several “traditional” funds with specific investments and objectives, for example large cap or small cap U.S. stock funds, to round out the options available in the core fund lineup.





Medical Benefits

The Problem:

Prevailing Wage Contractors need medical coverage with the flexibility to handle the unique challenges they face: *multiple job sites in several states, rapid employee turnover, multiple employee classes, seasonality, job interruptions, and complex administrative and compliance burdens*. A benefits provider who is unfamiliar with this unique market can overlook important issues, resulting in contractors spending more money and time on their plans, and facing the possibility of their plan failing to comply with government regulations.

The Solution:

The Contractors Plan powered by Fringe Benefit Group offers solutions designed specifically for prevailing wage contractors, and we serve as the single point of contact to handle any issues that may arise. This relieves you of the tremendous burden of handling billing, administration, eligibility, and COBRA administration.

With our industry-unique Hour Banking program, tracking hours and premium is simplified. You pay premium only for hours worked, and employees are able to “bank” hours worked during busy times and then draw from that bank during slower times to maintain medical coverage.

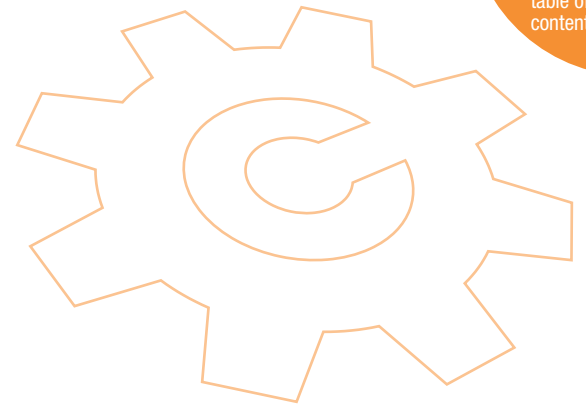
The Advantage of Size

Our size gives us leverage with our carrier partners, so we can offer your company the benefit of being part of a larger group of contractors. This minimizes risk and liability, particularly for smaller contractors.

The underwriting process is simplified because your company becomes part of a large risk pool. This also helps during the renewal process and reduces cash flow risk in future years. When you're part of a larger pool, the possibility that a sizable claim will drastically increase your rates is lessened, helping to avoid extreme volatilities in cost.

We can cover specific job sites or job classes only. We specialize in benefit plans for prevailing wage contractors, so we're accustomed to handling unique situations.





Specialty Benefits

When your employees and their families are protected from unexpected expenses, they can focus on their jobs . The challenge has been offering these benefits in a way that qualifies as a “bona fide” fringe benefit, and that isn’t complicated and time-consuming for employers to administer.

The Contractors Plan offers options that maximize company tax savings while providing quality benefits for your employees . In addition to medical coverage and retirement plans, we also offer:

- **Dental Insurance**
- **Short Term Disability Income Protection**
- **Vision Insurance**
- **Long Term Disability Income Protection**
- **Critical Illness**
- **Group Term Life Insurance/AD&D**

We break down the benefits you select into a single hourly premium, so you can pay one hourly rate for the collective benefits chosen . Using more of the fringe to provide bona fide benefits reduces your payroll tax burden.



Dental Insurance – During the last 45 years MetLife has built one of the largest and best-credentialed networks in the nation with over 148,000 participating dentist locations, including 22,000 specialists. Members save, on average, 15 – 45% when they choose a network dentist rather than non-network providers. MetLife is the largest commercial dental plan administrator with the U .S . military (TriCare) and 43 of the Fortune 100® companies and as customers serving 21 million dental members.

Vision Insurance – Premiums typically account for 30% of the total cost of using a vision plan, with the remaining 70% occurring as out-of-pocket costs for vision services (exams and eyewear). That is why the network is so important when you are choosing a vision benefits plan. It’s about more than just size; the plan should include the right mix of vision providers.

Employees and their covered family members can choose their provider from one of the largest networks of ophthalmologists, optometrists and opticians in the nation. The Vision Service Plan (VSP) network offers more than 44,000 participating private practice access points — including more than 900 retail chain locations.

Disability Income Protection & Term Life Insurance – MetLife provides a work-based insurance foundation that offers your employees and their dependents a cost-effective financial safety net in their time of need.

CriticalAssistance® Advance – Transamerica’s Critical Illness plan has been specifically customized to comply with the needs of prevailing wage contractors and are Guaranteed Issue (without medical underwriting) . Contractors save money and ensure that their employees are protected from unexpected accidents and illnesses . We maintain eligibility and provide all necessary recordkeeping ensuring accurate claims adjudication and compliance when responding to government inquiries or audits.





Hour Banking

Hour banking works to the advantage of both contractors and employees. It provides contractors with a way to avoid overpaying health and specialty benefit premiums, and at the same time it provides employees with a method for extending coverage during work stoppages.

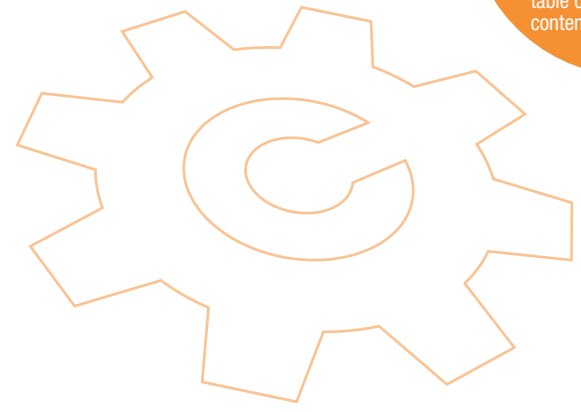
How Hour Banking Works

Benefits are provided and tracked in hourly increments. The Contractors Plan bundles the monthly costs of benefits such as medical, dental, disability, vision and life insurance and converts this to an hourly equivalent cost. Employees can bank premium hours during peak work periods, then draw from those excess hours to maintain coverage should there be a reduction in hours.

Our system makes accounting for hours worked and their corresponding fringes seamless and transparent. Contractors pay only for actual hours worked. That means you don't have to spend time trying to get premium refunded from insurance carriers. If you experience rapid increases or decreases in employee numbers due to the nature of a contract, or down time between contracts, hour banking is a practical solution.

- Employees accumulate premium credits for excess hours worked.
- The possibility of ineligibility under traditional programs is eliminated.
- Employees are protected during layoffs.
- Employees may bank up to 7 months of benefits.
- Employers pay for actual hours worked, which prevents overpayment of premium.
- Allows precise per hour cost in the bidding process.





Total Fringe Example Calculation

It's a seamless, hassle-free solution that maximizes payroll savings and streamlines benefit plan administration.

With Total Fringe, contractors choose from our comprehensive menu of benefits to allocate the entire fringe portion of the prevailing wage. Regardless of the number or types of benefits provided for employees, you upload one file and send in one check. We handle administration of all benefits and payment of carriers – freeing you to concentrate on your business.

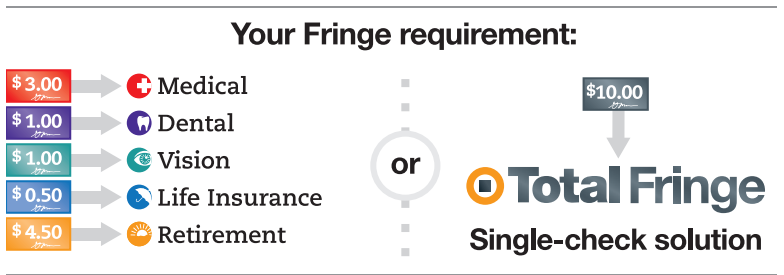
To optimize savings on payroll burden, choose from:

- Major Medical**
- Dental Insurance**
- Disability**
- Limited Medical**
- Life Insurance**
- Accidental Death & Disability**
- Vision Insurance**
- Retirement Plans**

We break down the coverages you select into an hourly premium, which means you pay one hourly rate for the collective benefits chosen. We provide administration for all programs, and we can do this by the job and by the hour.

Contractors enjoy maximum savings on payroll costs, freedom from spending time on benefits administration, and the flexibility and simplicity that comes from having a single-source benefits solution.

Allocating the fringe to prevailing wage benefits plans results in immediate savings. Total Fringe also helps contractors avoid cost overruns on benefits, which translates into increased profits over the life of the contract. With Total Fringe, contractors are also better-equipped to forecast future benefit liabilities and adjust their strategies to effectively protect themselves from the increasing costs of health care benefits.



These benefit choices can all be enrolled and administered online at MyContractorsPlan.com. Please visit www.thecontractorsplan.com for a video demonstration.

Total Fringe Hourly Breakdown

Fringe rate	\$15.00	Fringe rate	\$15.00
Medical single	\$2.00	Medical family	\$4.00
Vacation	\$1.00	Vacation	\$1.00
Apprentice	\$.25	Apprentice	\$.25
Retirement	\$11.75	Retirement	\$9.75





MyContractorsPlan.com



Comprehensive Benefits Enrollment and Account Management

If you have employees spread across several job sites, or working different shifts, you already know the logistics of enrolling employees in a benefit plan can be a headache.

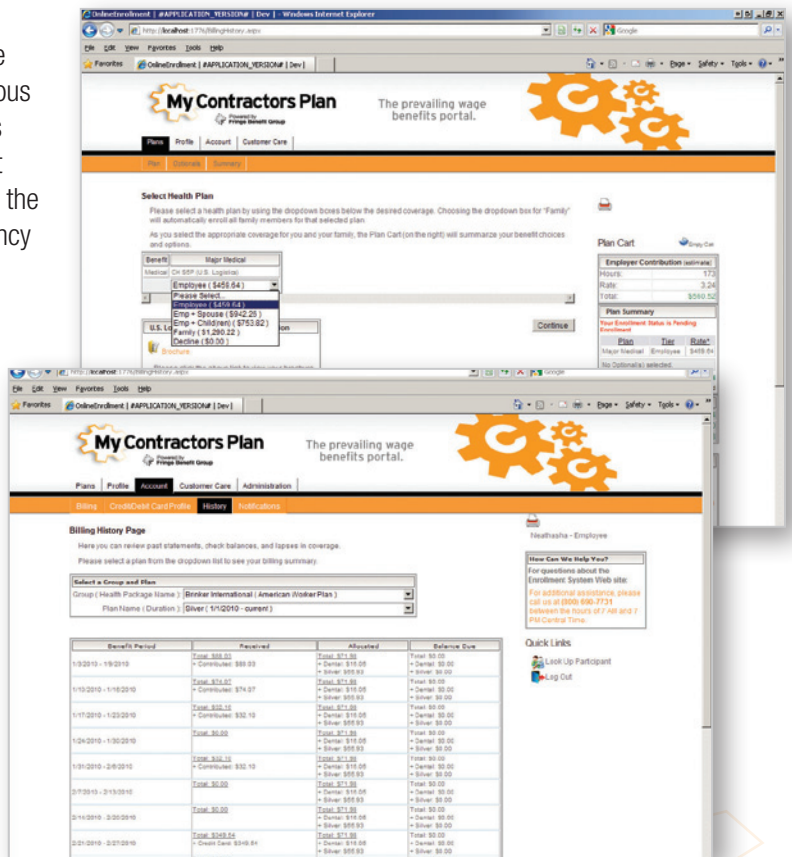
Not with the Contractors Plan. We design a customized online benefits enrollment and management platform for each of our clients. That means your employees can enroll in the benefits plan anytime, anywhere they have online access, 24/7. You can watch a short video demonstration at <http://www.thecontractorsplan.com/mycontractorsplancom.html>.

As participants choose from among the benefits offered, our Dynamic Plan Cart™ tool automatically calculates the amount of fringe remaining. Participants can create various “what-if” scenarios to allocate their fringe benefit dollars according to their individual needs. Once the participant has enrolled, they can see all contributions by pulling up the “Billing History” page. This supports complete transparency around monthly allocations of benefit dollars.

Our online interface also simplifies plan administration for employers. You can view, update, and upload plan information in real time.

- Pay missed premiums
- Access coverage information
- View and print contribution history
- Add or terminate employees
- Upload census and payment files
- Track enrollment statistics
- Distribute information to all employees

Contact us for a demonstration or simply go to www.thecontractorsplan.com and find out how much easier managing your benefit plan can be.





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