



## FOR IMMEDIATE RELEASE

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## **Economic Stimulus Package (ARRA) Providing Opportunity for Government Contractors**

**Austin, July 23, 2009** – The American Recovery and Reinvestment Act of 2009 (ARRA) is a bright spot in what has been a gloomy construction forecast for U.S. contractors. Contractors are registering to bid on ARRA jobs in record numbers, which means competition is fierce, and state and federal agencies are intensifying compliance efforts to ensure that the economic stimulus package monies are spent properly. The Contractors Plan ([www.thecontractorsplan.com](http://www.thecontractorsplan.com)), powered by Fringe Benefit Group ([www.fringebenefitgroup.com](http://www.fringebenefitgroup.com)) is available to help government contractors stay compliant with government regulations and bid more competitively while providing quality benefits to their employees.

The ARRA includes a provision that all resulting projects fall under the provisions of the Davis-Bacon Act. The Davis-Bacon Act, passed in 1931, requires payment of locally “prevailing wages” including the “anticipated cost of prevailing benefits,” commonly referred to as fringe benefits. Contractors performing service work for the government on non-construction projects are subject to a similar law, the Service Contract Act (SCA) of 1965. Prevailing wages are generally expressed as a per-hour wage and per-hour cash equivalent value of benefits, and are often based on a union scale. Prevailing wages are set by the U.S. Department of Labor and are included in the bid specifications of covered contracts.

Many Davis-Bacon and SCA contractors pay the fringe benefit portion of the prevailing wage as additional cash wages, believing it is the easiest way to comply with the law. But allocating the fringe amount to a bona fide benefit plan, such as The Contractors Plan from Fringe Benefit Group, results in significant cost savings on payroll burden because these monies are not subject to FICA, FUTA, state unemployment taxes and workers compensation insurance. Benefits that might be included in a bona fide benefit plan offering are retirement, medical, dental, vision and life insurance plans.

Utilizing its nearly 30 years of experience in this market, Fringe Benefit Group ([www.fringebenefitgroup.com](http://www.fringebenefitgroup.com)) can help government contractors and the insurance advisers who assist them with their prevailing wage benefits plans. As the first company to offer benefit plans for prevailing wage workers, Fringe Benefit Group is highly skilled at understanding, recommending and implementing retirement and health plan options for government contractors. Fringe Benefit Group analyzes a company’s information and uses its plan design expertise to suggest options that maximize benefits for both owners and their employees.

“Contractors utilize The Contractors Plan or Total Fringe solution to maximize their savings by allocating the entire fringe portion of the prevailing wage. They can build a platform from our menu of benefits, then send in one check and upload one file with each payroll, regardless of the number and types of benefits chosen. It’s simple and seamless, allowing contractors to concentrate on their business,” said Adam Bonsky, executive vice president of government markets for Fringe Benefit Group.

Competition for prevailing wage and Service Contract Act jobs is fierce – and scrutiny for compliance is tougher than ever. With The Contractors Plan powered by Fringe Benefit Group, construction business owners have a fully bundled, powerful resource to help them save money on payroll burden; maximize owner contributions to retirement accounts; provide quality health, dental, vision and life insurance; and stay in compliance with government regulations.

#### About Fringe Benefit Group

Austin, Texas-based Fringe Benefit Group and its affiliate companies have helped employers design and administer fringe benefit programs since 1983. Through its nationwide network of independent brokers and agents, Fringe Benefit Group has established itself as the leader in government contractor health and welfare and retirement plans. Drawing on its expertise in the prevailing wage segment, the company has also emerged as a leader in group benefit plans designed specifically for hourly and part-time workers (limited benefit programs). For more information, log on to [www.fringebenefitgroup.com](http://www.fringebenefitgroup.com) or [www.thecontractorsplan.com](http://www.thecontractorsplan.com).

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