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Fringe Benefit Group Helps Government Contractors Cut Costs, Win Bids & Comply with the Affordable Care Act (ACA)

Austin, Texas – March 26, 2013 – Government contractors have many questions about health care reform and its impact on their businesses. Utilizing its nearly [30 years of experience](#), [Fringe Benefit Group](#) is available to help government contractors and their insurance advisers comply with the new [healthcare legislation](#) (the Affordable Care Act) and [bid more effectively](#) on prevailing wage jobs.

Contractors bidding on government work are subject to numerous laws regarding wages and benefits for their employees, including the payment of locally “prevailing wages” and the “anticipated cost of prevailing benefits,” commonly referred to as fringe benefits. Even contractors with the best of intentions can find themselves out of [compliance](#), often simply due to the complexities of the legislation, including the Davis-Bacon and Service Contract Acts (SCA).

“Employers need to learn about the ACA and, through their broker, partner with a benefits provider that can help them understand and comply with it,” said Adam Bonsky, executive vice president of government markets at Fringe Benefit Group. “If you’re a government contractor with dollars in the wage determination to provide acceptable coverage, the time to act is now. Look for a partner who fully understands the government contractor marketplace and can assist you with accounting requirements as well as making sure you are compliant with both the DOL and IRS regulations.”

Beginning January 1, 2014, government contractors with 50 or more full-time equivalent employees are required to provide health insurance for their workers or face fines. All individuals will be required to have health insurance and those who do not will be penalized. For government contractors working on jobs subject to prevailing wage laws, the funds to pay for health insurance coverage are usually included in the wage determination for each job classification. By offering a prevailing wage benefit plan, such as The Contractors Plan from Fringe Benefit Group, business owners can establish pre-tax accounts, have stronger purchasing power and simplify the entire process for their employees. There are also recruiting and morale benefits to consider, since many employees would prefer to work for a company which offers benefits and most employees would prefer to purchase coverage from their employer rather than figuring it out on their own.

Maintenance and service ([SCA contractors](#)) who employ workers at government facilities must also pay the wages and fringe benefit amounts of their workers as determined by the Department of Labor (DOL). SCA contractors who currently offer limited medical plans or no benefits to their employees will be required to offer health care coverage, which can be paid for with fringe dollars.

When bona fide benefits like health insurance are provided with fringe dollars, these dollars are removed from payroll and therefore are not subject to FICA, FUTA, SUTA and, in most cases, workers compensation insurance. On Davis-Bacon jobs, for example, a conservative estimate is that these assessments add an additional cost of 25 cents to each dollar paid to employees, which adds up quickly over the term of a contract.

Contractors bidding on public sector jobs understand that in order to win bids they need to maximize efficiencies, reduce costs and maintain compliance. Fringe Benefit Group's flagship product, The Contractors Plan, helps government contractors stay compliant with government regulations and bid more competitively while providing quality benefits to their employees. 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.

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. For more information, visit www.contractorsplan.com.

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