



## **FOR IMMEDIATE RELEASE**

### **For more information, please contact:**

Melinda Hart  
PR for Fringe Benefit Group  
(210) 824-3433  
melinda@melindahartpr.com

### **Fringe Benefit Group Helps Government Contractors Cut Costs, Win Bids & Comply with New Health Care Legislation**

**Austin, Texas – June 7, 2010** – Government contractors have many questions about compliance and the impact on their businesses as a result of health care reform legislation, the Patient Protection and Affordable Care Act (PPACA). Utilizing its nearly [30 years of experience](#), [Fringe Benefit Group](#) is available to help government contractors and the insurance advisers who assist them comply with the new health care legislation and [bid more effectively](#) on prevailing wage jobs.

Merit shop contractors bidding on government jobs like the ones created by the American Recovery and Reinvestment Act (ARRA) are already 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. 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, SUTA and workers compensation insurance. In today’s crowded bidding environment, contractors must cut every possible dollar from their bids in order to win government jobs.

“Health care reform has arrived and government contractors are going to have to understand and deal with the new legislation. By putting the fringe toward benefits, business owners will be compliant with the new health care mandates, avoid IRS penalties, and bring down their payroll costs,” said [Adam Bonsky](#), executive vice president of government markets at Fringe Benefit Group. “It makes sense to work with a company like ours who fully understands the government contractor marketplace and can assist them with accounting requirements as well as making sure they are compliant with both the DOL and IRS regulations.”

Construction industry employers with more than 50 employees will be required to offer [health care coverage](#) to their employees beginning in 2014, which can be paid for with fringe dollars via a prevailing wage benefit plan. Effective this year, some small businesses which provide health insurance for their workers may be eligible for a tax credit under the PPACA – another incentive to use these dollars to provide benefits. 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 also be paid for with fringe dollars.

Nearly three quarters of the \$308 billion appropriated for construction and infrastructure projects in the ARRA is scheduled to be spent by the end of FY 2011. Contractors bidding on these jobs understand that in order to win more bids they need to maximize efficiencies, reduce costs and maintain compliance. The Contractors Plan powered by Fringe Benefit Group 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 (limited medical benefit programs). For more information, log on to [www.fringebenefitgroup.com](http://www.fringebenefitgroup.com) or [www.thecontractorsplan.com](http://www.thecontractorsplan.com).

###