

BENECO CASE STUDY PLAN DESIGN

EVERGREEN ELECTRICAL* DEFINES THEIR BUSINESS STRATEGY AROUND THE PLAN DESIGN OF PREVAILING WAGE 401(K)

*Actual name changed for confidentiality



EVERGREEN ELECTRICAL

Beneco and Evergreen Electrical celebrated 25 years of partnership in 2018. Over that time, Evergreen has grown to 1,140 employees who participate in a Beneco Prevailing Wage 401(k) plan with over \$32m in retirement savings. Evergreen added Vacation / PTO to realize more savings and take part in Beneco's Hour Banking services.

PLAN DESIGN

At Beneco, we believe a well-designed PW plan is a critical element to construction company strategy. Our ability to execute on strategic Plan Design combines compliance expertise and complex cross-testing with strategic consultation to minimize tax burden, maximize retirement savings, and reinvest in building the business.

THE OPPORTUNITY

Evergreen Electrical operates in San Diego County, CA, a competitive labor market with competitive bidding. ABC believes that its people are its competitive advantage and takes responsibility for providing a secure financial future for its employees. Offering an attractive benefits package is its key to winning, even while operating on razor thin margins.

THE STRATEGY

Evergreen partnered with Beneco's Plan Design consultants to craft a solution that would beat its competitors, bar none. Together, we offer Evergreen workers a retirement plan that includes loans, hardship distributions, above industry investment returns, and an age 55 distribution waiting period. Furthermore, Evergreen uses the PW tax savings from the Beneco plan to lower its bid price and win more bids, leading to rapid growth.

THE IMPACT

- \$4.2m in tax savings through the use of Beneco's solutions, reinvested in the business
- 12-month investment earnings of \$3.8m with 87% of employee retirement assets in NFP's flexPATH TDF
- \$32m in retirement plan savings for 1,140 Evergreen employees, meeting its commitment to provide for its employees and improving its hiring and retention practices

"We have a solid reputation in San Diego County for bidding competitively, successfully completing projects on time and within budget. We can do this because ... we have skilled dedicated employees. Our competitors are starting to have to put a solution like Beneco in place because they can't compete without it."

~ Jack, CFO, Evergreen Electrical