

BENECO CASE STUDY HOUR BANKING

CALIFORNIA CONTRACTOR CO.* USES HOUR BANKING TO ATTRACT AND RETAIN THE BEST EMPLOYEES IN A SEASONAL MARKET

*Actual names changed for confidentiality

CALIFORNIA CONTRACTOR CO.

Tim and Jenny Miller,*
2nd generation owners of
California Contractor Co.,
have been some of our
favorite clients since 1995.
With Beneco's help, they're
implementing a 5-year
succession plan, including
a Beneco PW 401(k) plan, to
maximize their savings and
ensure business continuity as
they pass down the business
to the 3rd generation.

HOUR BANKING

Hour Banking, one of
Beneco's most differentiated
services, provides clients the
opportunity to pre-fund
benefits plans using Prevailing
Wage dollars while staying
compliant. Our biggest and
most strategic clients view
Hour Banking as a way to
ensure their employees retain
coverage and the business
maximizes tax savings and
minimizes operating
expenses for reinvestment.

THE CHALLENGE

Change seems to be the only constant in California employment laws. The State of California recently enacted a tricky new labor law: a mandatory three-day sick pay that all companies must pay all of their employees. This regulation alone increased CCC's operating expenses by \$40k-\$50k annually and threatened to reduce the rapid pace of growth they've achieved over the last 3 years through winning more public works bids by reducing their bidding costs.

THE SOLUTION

Tim and Jenny called on Beneco for guidance on constructing a plan that would allow them to pay their employees, retain their competitiveness in bidding, and control their operating expenses. Beneco built an Hour Banking and PTO solution that allows CCC to fund their mandatory sick days with Prevailing Wage dollars.

THE IMPACT

- Nearly \$50k (and growing!) annual OpEx savings from the Hour Banking and PTO solutions
- \$1m tax savings for 401(k) and Medical benefits
- 280% growth in 401(k) savings from Prevailing Wage contributions in 3 years (\$145k in 2014 to \$548 k in 2017)

"Thanks for breakfast – and for saving us \$40k-\$50k per year. You guys are the best business partners!"

~Tim, Owner, California Contractor Co.