

## 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.