



## Insurance Trust

Insurance and benefits. Exclusively for ABC members.



**ABC INSURANCE TRUST**

**YOUR PREVAILING  
WAGE RESOURCE**

# ABC INSURANCE TRUST:

Founded by ABC National in 1957, the ABC Insurance Trust has been exclusively helping ABC members with their employee benefits and insurance needs for over 60 years. The Trust staff are experts on employee benefit plan design and compliance, prevailing wage regulations and other benefit issues that impact ABC members. We understand the construction industry and know how to build successful benefit programs for contractors. Our ABC Insurance Services subsidiary is licensed in all 50 states and represents more than 60 insurance carriers nationwide. Unlike other brokers, we know what it takes to make a prevailing wage benefits program simple to administer and compliant. From our unique administrative tools, like Dollar Banking and Composite Rating and Services Plan, to our retirement and payroll partners, and our industry unique dental, vision, life and disability trust based programs, you can get all of your insurance needs in one place from people who understand the industry.

"The ABC Dollar Bank© program has given us the opportunity to provide quality health care coverage to our field team members at very affordable rates. We've saved thousands of dollars and it's helped make us more competitive on our project bids."

-Brett Steed,

McClone Construction, Arvada, CO



# FRINGE BENEFITS VS. WAGES

The first decision a government contractor needs to make is to decide how to pay the required prevailing wages. This is not as simple as it looks. This decision can mean winning or losing, or being out of compliance and at risk of costly audits. The ABC Insurance Trust is here to simplify the process while helping you save money and do the right thing for your employees while staying in compliance.

Sample Company With 20 Field Employees		
	Paying the Fringe as a Cash Wage	Paying Towards Benefits
<b>Example of Savings on Labor Cost</b>		
Base Wage	\$ 25.00	\$ 25.00
Fringes Paid as Cash	\$ 9.00	\$ -
Total Cash Wage	\$ 34.00	\$ 25.00
Payroll Taxes 24%*	\$ 8.16	\$ 6.00
Fringes Paid to Benefits	\$ -	\$ 9.00
Total Labor Cost per Man Hour	\$ 42.16	\$ 40.00
<b>Savings Per Man Hour</b>		<b>\$ 2.16</b>
<b>Example of Savings on Project Bids</b>		
# Employees	20	20
Man Hours per Employee	1,200	1,200
Total Man Hours on Project Bid	24,000	24,000
Labor Cost per Man Hour on Project Bid	\$ 42.16	\$ 40.00
Total Labor Cost on Project Bid	\$ 1,011,840	\$ 960,000
<b>Savings on Labor Cost and Bid</b>		<b>\$ 51,840</b>

In this example, the **\$51,840** in savings could help you win a bid or increase your profit margin!

# ADMINISTRATION TOOLS

The ABC Insurance Trust has industry unique tools and resources to help simplify the administration of your employee benefit programs, while keeping you in compliance. The tools include, our Dollar Bank© Program, Composite Rating and Services Program, ancillary trust products, plan administration services, and dedicated payroll and retirement plan partners.

## 1) Dollar Bank© Program

### Key Benefits of the Dollar Bank©:

- Enables health plan premiums to be paid and accounted for on an hourly basis.
- Excess hours worked can be used in future months to prevent employees and their families from experiencing a lapse in coverage.
- Health plan premiums are paid only for hours worked, eliminating the potential for overpayment.
- It's flexible and can work with any health insurance carrier and self-funded arrangements.
- Provides an airtight audit trail for the payment of fringe benefit requirements on Davis-Bacon and prevailing wage projects.
- Terminated employees can use Dollar Bank© balances to pay for coverage after termination.
- Dollar Bank© thresholds can be adapted to seasonal changes and work stoppages in your business.
- Dollar Bank© facilitates completion of certified payroll reports.

"We have worked with the ABC Dollar Bank © program for over 10 years. We get health insurance with a local carrier and get to pick the plan designs we want. The customer service and accounting are outstanding. Our employees like the program because they get to bank excess fringes and they always know how much they have in their accounts."

—Dennis Weller, Structural Associates Inc., East Syracuse, N.Y.

### Who Administers Dollar Bank©:

The ABC Insurance Trust exclusively serves ABC members, combining a full-service insurance agency with a DOL approved "bona fide trust" program.

**ABC Insurance Services** provides a full range of support for the employee benefit needs of ABC member firms. ABC Insurance Services is licensed in all states and represents more than 60 insurance carriers.

**The ABC Insurance Trust** has been serving ABC members for more than 60 years. The Trust staff manages all of ABC's fringe benefit offerings, including the ABC Dollar Bank© program.

## Multiple Benefit Options:

The Dollar Bank® program has the flexibility to incorporate any number of fringe benefits and can be offered to a variety of employee classes. We can shop the market to get you the best value, or we can work with your existing plans and insurance agent. The program depends on your unique circumstances and what you want to include in your company's employee benefit offerings. It can work for hourly and salaried employees and can include any Trust benefits.

### Benefit Options

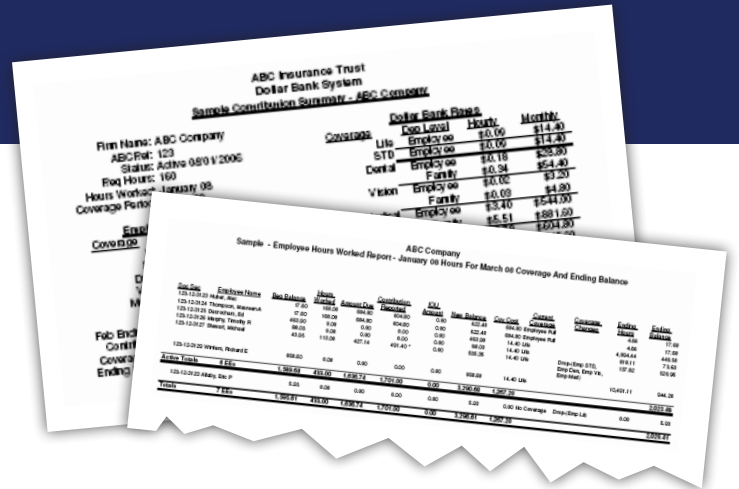
- Health Insurance
- Dental Coverage
- Life Insurance
- Disability Insurance
- Vision Coverage

### Coverage Options

- All Hourly Employees
- All Company Employees
- Commercial Construction Jobs
- Specific Prevailing Wage Projects
- All Prevailing Wage Employees

## Sample Reports:

Each month you will send us an easy-to-complete monthly contribution report that lists each employee, the number of hours worked by that employee and the contribution amount. Our team will process your hours worked report and provide you with a contribution summary and detailed employee report.



## Example Report for John Doe:

Major Medical, Employee Only

$$\begin{array}{r}
 \$400 \text{ Monthly premium} \\
 \div 130 \text{ Hours to be on benefit} \\
 \hline
 \$3.08 \text{ Hourly Rate}
 \end{array}$$

Month	Hours Worked	Hours Needed	Hourly Rate	Contribution	Bank
September	150	130	3.08	\$462	20 hours
October	180	130	3.08	\$554	70 hours
November	100	130	3.08	\$308	40 hours

## 2) Composite Rating and Services Plan (CRSP)

Health insurers for ACA Rated Small Group health plans charge rates based on the age of the covered employee and the age of any covered dependents. This is an accounting headache for ABC members, particularly those with prevailing wage contracts, because you must take credit for so many different premium amounts. Also, the use of age specific rates is unpopular with employees because older employees are charged higher premiums than younger employees.

The ABC Insurance Trust has a proprietary system, the Composite Rating and Services Plan (CRSP) which allows contractors to pay for health insurance on a composite rate basis. This allows contractors to take credit for the health insurance coverage on a simpler and more uniform basis. CRSP is particularly beneficial if you are converting from a health insurance program which is grand fathered or from a Level-Funded arrangement.

### Key Benefits of CRSP:

- All premium amounts are blended to calculate a single invoice with 4-tier composite rates.
- A small reserve fund is created to account for differences in premium due to enrollment changes.
- Federal and State Mini-COBRA administration is included.



**With our CRSP Program you can turn a complicated 52 tier age rate chart into a basic 4 tier chart:**

## Turn this...

Age	Rate	Tobacco Rate	In Quote (NT/T)	Age	Rate	Tobacco Rate	In Quote (NT/T)	Age	Rate	Tobacco Rate	In Quote (NT/T)
0-14:	\$324.37	\$324.37	16 / 0	32:	\$501.60	\$501.60	0 / 0	50:	\$757.28	\$757.28	2 / 0
15:	\$353.20	\$353.20	0 / 0	33:	\$507.96	\$507.96	0 / 0	51:	\$790.78	\$790.78	3 / 0
16:	\$364.22	\$364.22	1 / 0	34:	\$514.75	\$514.75	1 / 0	52:	\$827.67	\$827.67	0 / 0
17:	\$375.25	\$375.25	0 / 0	35:	\$518.14	\$518.14	1 / 0	53:	\$864.98	\$864.98	0 / 0
18:	\$387.12	\$387.12	1 / 0	36:	\$521.53	\$521.53	1 / 0	54:	\$905.26	\$905.26	0 / 0
19:	\$398.99	\$398.99	1 / 0	37:	\$524.92	\$524.92	0 / 0	55:	\$945.54	\$945.54	1 / 0
20:	\$411.29	\$411.29	1 / 0	38:	\$528.32	\$528.32	1 / 0	56:	\$989.22	\$989.22	0 / 0
21:	\$424.01	\$424.01	0 / 0	39:	\$535.10	\$535.10	2 / 0	57:	\$1,033.31	\$1,033.31	0 / 0
22:	\$424.01	\$424.01	1 / 0	40:	\$541.88	\$541.88	0 / 0	58:	\$1,080.38	\$1,080.38	2 / 0
23:	\$424.01	\$424.01	2 / 0	41:	\$552.06	\$552.06	0 / 0	59:	\$1,103.70	\$1,103.70	0 / 0
24:	\$424.01	\$424.01	2 / 0	42:	\$561.81	\$561.81	1 / 0	60:	\$1,150.76	\$1,150.76	0 / 0
25:	\$425.71	\$425.71	1 / 0	43:	\$575.38	\$575.38	0 / 0	61:	\$1,191.47	\$1,191.47	2 / 0
26:	\$434.19	\$434.19	0 / 0	44:	\$592.34	\$592.34	1 / 0	62:	\$1,218.18	\$1,218.18	2 / 0
27:	\$444.36	\$444.36	0 / 0	45:	\$612.27	\$612.27	1 / 0	63:	\$1,251.68	\$1,251.68	3 / 0
28:	\$460.90	\$460.90	3 / 0	46:	\$636.02	\$636.02	0 / 0	64:	\$1,272.03	\$1,272.03	0 / 0
29:	\$474.47	\$474.47	1 / 0	47:	\$662.73	\$662.73	2 / 0	65+:	\$1,272.03	\$1,272.03	2 / 0
30:	\$481.25	\$481.25	0 / 0	48:	\$693.26	\$693.26	0 / 0				
31:	\$491.43	\$491.43	1 / 0	49:	\$723.36	\$723.36	1 / 0				

## Into this!

Tier	# of Employees	Rate per Employee	Premium
EE	5	\$763.69	\$3,818.45
EE + SP	5	\$1,634.29	\$8,171.45
EE + CH	2	\$1,439.55	\$2,879.10
Family	9	\$2,428.52	\$21,856.68

### 3) Trust Products and Plan Administration Services


**Our Trust Products** have consistently stable rates and can be a great tool to retain and attract skilled workers. Our Trust products include:

- Dental Plans
  - \$10,000 maximum annual benefit
  - \$2,000 orthodontia maximum
  - Rates guaranteed until 2024
- Short Term & Long Term Disability
- Group Life Insurance
- Supplementary Life Insurance
- Voluntary Coverages

**Our dental rates haven't changed in 12 years and are guaranteed through 2024!**

**Our Administration Services** include:

- HRA, HSA and FSA administration
- COBRA Administration
- Section 125 plan set up
- Benefit Administration Systems including:
  - Bernie Portal
  - Maxwell Health

A photograph showing three construction workers on a site. They are wearing hard hats and safety vests. One worker is in the foreground, another is in the middle ground, and a third is in the background. They appear to be working on a structure with rebar and scaffolding. The sky is blue with some clouds.

"Insurance is never easy; but ABC [Insurance Trust] uncomplicated the process by providing alternatives, reviewing our needs and providing an insurance package to our company that made both fiscal and usable sense to both our owner and employees."

-David K. Leinbach,

Kaiser Construction Co., Inc.



## 4) Dedicated Payroll Partner

Payroll4Construction is a payroll service that is built specifically for the construction industry, providing services unique to contractors' payroll, tax and reporting needs - including prevailing wage, certified payroll, and multi-city/state payroll. It can provide a solution for the difficulties that come with construction payroll so contractors can focus on their work.



### What they offer:

- Printed checks and direct deposits
- Benefits and deductions
- Multi-state/locality, multi-trade/rate
- Automated rates by job and trade
- Automated prevailing wage regulations per federal and state
- Integration with accounting programs
- Job cost reporting
- W-2s and taxes
- Certified payroll
- Construction reports

### Free Construction-Specific Reporting:

- Payroll4Construction captures important information with every payroll, so reports are ready to print whenever you need them.
- Free Reporting on certified payroll, workers' compensation, new hire, EEO minority compliance, general ledger distribution, payroll and historical reporting, job cost and burden reporting.

## 5) Dedicated Retirement Plan Partner

The Contractors Plan is a Business Partner and Strategic National Partner of ABC. ABC Insurance Trust partners with The Contractors Plan for its retirement plan expertise, particularly for prevailing wage contractors. There is no retirement plan setup fee for ABC members.



### Employer Services:

- **Plan Design** to prepare a plan that best fits your company's unique needs, including any desired changes down the road.
- **Third Party Trustee** to reduce your fiduciary liability.
- **Web Access** so you can check employer statements, investment returns and more.
- **Profit Sharing Allocations** are calculated for you to show you the exact amount you need to contribute.
- **Discrimination Testing** conducted by our experts to ensure your plan is in full compliance with IRS and DOL regulations.
- **Form 5500 Preparation** includes our review and preparation of the tax documents and reports for your plan. All you have to do is sign!
- **Plan Restatements** keeps your plan in conformance with all law and tax code changes.
- **Loan Processing** is handled for all your employee requests.
- **Quarterly Reporting** to provide you with a full assessment of plan activity and any account fees.

### Employee Services:

- **Web Access** lets your employees download forms, make investment changes and check account balances online.
- **Quarterly Statements** include easy-to-understand reports that show employees their plan activity.
- **Plan Distributions** and related administrative tasks are handled by our team when an employee terminates employment.
- **Plan Loans** are quickly processed. We help employees understand their options and provide the customer support to serve their needs.
- **Call Center** enables employees to check account balances via telephone. Additionally, we provide a bilingual call center during regular business hours.
- **Enrollment Support** includes informative, easy-to-read materials to help your employees understand their benefits. Literature is available in both English and Spanish.

# 10 Reasons to Work With the ABC Insurance Trust

1. **Construction Industry Expertise** — ABC's Insurance Trust operates exclusively for ABC members. The Dollar Bank program is a valued resource available only to ABC members.
2. **DOL Bona Fide Trust** — The ABC Insurance Trust is a Bona Fide Trust that has been in operation for more than 60 years. All fringe benefits administered through ABC's Dollar Bank program are considered Bona Fide by the Department of Labor.
3. **Your Health Insurance Carrier** — The ABC Dollar Bank can work with most health insurance carriers in the country — the ABC Insurance Trust already represents over 60 carriers.
4. **Flexible Plan Designs** — There are no restrictions on the type of plan design you can use with ABC's Dollar Bank. We have expertise in working with all types of fully insured and self-funded plans, including HMOs, PPOs, EPOs, HDHPs, etc.
5. **Dedicated Service Team** — Your Dollar Bank account will have a dedicated service team to assist with accounting, reporting, claims resolution, benefits communications and more.
6. **Prevailing Wage Expertise** — Our administrative team has many years of experience working with prevailing wages at the federal, state and local levels. We help you stay compliant in meeting your fringe benefit obligations.
7. **Free COBRA Administration** — ABC administers COBRA for all lines of coverage, including Dollar Bank run out.
8. **Comprehensive Reporting** — The Dollar Bank reporting includes a detailed monthly report of current contributions and account balances. The contribution summary can be attached to certified payroll as proof of fringe benefit hourly contribution.
9. **Low Administrative Cost** — A survey of other hour bank providers reveals that ABC's Dollar Bank cost is significantly less than other solutions. Additionally, there is no set up cost for the Dollar Bank.
10. **Virtual HR Assistant** — All ABC clients receive access to our Virtual HR assistant website, which is a secure portal that provides compliance information and legislative updates, as well as benefit resource and HR documents.



"[They] do a great job of bringing alternatives to the table. Staff goes out of the way to make sure we are getting the best possible deal."

—Tom Gilbank, Gilbank Construction, Inc.,  
Clinton, Wisc.



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