

BENECO 401(K) VS. CALSAVERS

Companies that **do not work** on prevailing wage projects can also take advantage of the Beneco 401(k) plan!

On **June 30, 2022**, California will require companies with more than five employees to offer a qualifying employer-sponsored retirement plan. To assist with this mandate, the state provides its own retirement plan known as CalSavers.

It is important to know that you can enroll your employees in any qualifying employer-sponsored retirement plan, such as a 401(k) plan through Beneco, where you can get help from set-up to disbursement.

But you may be wondering how a retirement plan from Beneco can benefit you over CalSavers?

First and foremost, **you can reduce labor costs** on prevailing wage projects by contributing fringe dollars to your company's own 401(k) plan. And through Beneco, the prevailing wage experts, we can help you efficiently facilitate that!

BENECO 401(K) PLAN	CALSAVERS
Contributions are made pretax	Contributions are made after-tax
No income limits – Highly compensated employees (HCEs) & owners can participate	Single filers must make less than \$135,000
Maximum elective contribution limited to \$20,500 (Ages 50+ \$27,000)	Maximum elective contribution limited to \$6,000 (Ages 50+ \$7,000)
You can borrow funds from a 401(k) sponsored plan	You cannot borrow funds from CalSavers
Ability to company match – offers additional tax savings and is a powerful recruiting tool	Employers can not make contributions on behalf of, or match, employee contributions



REMINDER

You can incur penalties of \$250 per employee for not complying with the state mandate. After 180 days of non-compliance, an additional penalty of \$500 per eligible employee will be added.

Contact Beneco today and we'll help you maximize your prevailing wage dollars, stay in compliance, and create the best benefit plan for you and your employees.

Join Us – Let's Build Together

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