

## || eBacon Fringe Trust – Just the Facts

Fringe benefit trusts save employers money on taxes, workers' comp, and general liability. Yet many companies avoid them — thinking they're too complex, too expensive, or that employees won't accept anything but cash.

### Bona Fide Fringe Trust

A prevailing wage contractor's greatest tool is a little-known provision in the law that allows you to stop throwing money away.

#### WHAT IS IT?

- Proven to increase profitability
- Chance to grow by bidding more competitively
- Meet fringe obligations
- Stay compliant with ERISA, IRS Section 401(k), and Davis-Bacon regulations

#### HOW IS IT DIFFERENT?

- Everyone can benefit (Owners and Employees)
- Employees can take advantage of the tax-preferred programs by keeping funds in the trust for retirement growth, or they can access their fringe benefits weekly as needed

FRINGE DOLLARS

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| <div style="background-color: #0056b3; color: white; padding: 5px; border-radius: 10px; margin-bottom: 10px;">Typical</div>  <p><b>Payroll Check with Cash Fringe</b><br/>Paying fringes as cash increases wages.</p> <div style="border: 1px solid #ccc; padding: 10px; margin: 10px 0;"> <p style="text-align: center; font-weight: bold;">Employer Taxes / Expenses</p> <div style="display: grid; grid-template-columns: 1fr 1fr; gap: 10px;"> <div style="text-align: center;"> <br/> Social Security </div> <div style="text-align: center;"> <br/> Medicare </div> <div style="text-align: center;"> <br/> General Liability </div> <div style="text-align: center;"> <br/> Worker's Comp </div> </div> <p style="font-size: small;">Higher wages = higher employer payroll costs.</p> </div> <div style="background-color: #f0f0f0; padding: 10px; margin: 10px 0; text-align: center;"> <br/> <b>PAYDAY</b><br/> <p style="font-size: x-small;"><b>Regular Payday:</b> Employee gets paid, company overpays payroll costs = lower profits.</p> </div> <div style="text-align: center; margin-top: 10px;"> <br/> <b>No Options. No Savings.</b><br/> <p style="font-size: x-small;"><b>Outcome:</b> Basic check includes cash fringe with no tax-advantage option or company savings.</p> </div> | VS. | <div style="background-color: #0056b3; color: white; padding: 5px; border-radius: 10px; margin-bottom: 10px;">with eBacon</div>  <p><b>Fringe Trust &amp; 401K</b><br/>Fringe obligations deposited into eBacon's Fringe Trust are pre-tax benefits.</p> <div style="border: 1px solid #ccc; padding: 10px; margin: 10px 0;"> <p style="text-align: center; font-weight: bold;">No Taxes / Company Savings</p> <div style="display: grid; grid-template-columns: 1fr 1fr; gap: 10px;"> <div style="text-align: center;"> <br/> Social Security </div> <div style="text-align: center;"> <br/> Medicare </div> <div style="text-align: center;"> <br/> General Liability </div> <div style="text-align: center;"> <br/> Worker's Comp </div> </div> <p style="font-size: small;">Pre-tax benefits do not increase wages = lower employer payroll burden.</p> </div> <div style="background-color: #f0f0f0; padding: 10px; margin: 10px 0; text-align: center;"> <br/> <b>PAYDAY</b><br/> <p style="font-size: x-small;"><b>Payday &amp; More:</b> Company saves money, employee has options...cash distribution, retirement, tax-preferred expenses.</p> </div> <div style="text-align: center; margin-top: 10px;"> <br/> <b>Everyone Wins!</b><br/> <p style="font-size: x-small;"><b>Outcome:</b> Employees like options... cash fringe or retirement. Company profits increase!</p> </div> |
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|| This is NOT a safe-harbor match or a deferred payment plan. It is a pre-tax employer contribution into a qualifying 401(k) plan followed by an optional distribution.

