

**SECTION 132(f) TAX-FREE TRANSPORTATION PLAN
Summary Plan Description for Compensation Solutions**

EMPLOYER INFORMATION

- 1) Name and Address of Employer/
Plan Administrator: Compensation Solutions
169 Ramapo Valley Road
Oakland, NJ 07436
- 2) Employer's Telephone Number: (800) 654-4234
- 3) Employer's Federal Tax
Identification Number: 22-3686777
- 4) Effective Date of this Plan: 04/01/2002
- 6) Last Day of the Plan Year: 12/31/2002
- 6) Name of Claims Service Provider for Transportation Expenses: **TRANSIT ONE_{SM}**
- 7) Affiliated Employers which will participate in the Plan: None

ELIGIBILITY

All Employees employed by the Employer shall be eligible to participate under the Plan except the following:

N/A

COVERAGE PERIODS

An Eligible Employee may become a Participant and/or change his election under the Plan monthly (unless otherwise specified below):

() Annually () Semi-Annually (X) Quarterly () Monthly

Provided the Employee completes a Salary Reduction Agreement and submits it in the time specified by the Plan Administrator. Reductions of the Employee's Compensation to pay Pre-tax Transportation Expenses shall commence when the Employee becomes covered under the Plan. Elections are irrevocable unless the request for change is made prior to the beginning of the specified Coverage Period listed above.

BENEFITS PROVIDED UNDER THE PLAN

Eligible Transportation Expenses are available for election by Eligible Employees only.

(Benefits offered are indicated by the check in the appropriate boxes)

(X) Parking (X) Transit Passes

Request for reimbursement of Qualified Transportation Expenses should be submitted to your Employer or the Claims Service Provider as outlined in #6 of the Employer Information Section above.

A cash reimbursement may not be provided for an Employee's mass transit expenses if a voucher (or similar item that may be exchanged only for a transit pass) is readily available to the Employer for direct distribution to Employees. A voucher (or similar item) is readily available if (1) the Employer can obtain the voucher on terms that are no less favorable than the terms available to an Employee directly, and (2) the Employer does not incur a significant administrative cost in obtaining the voucher. An administrative cost will be determined to be "significant" if the Employer determines that the average administrative cost imposed by a transit system (excluding the Employer's internal costs and delivery charges of \$15 or less) is more than one percent (1.0%) of the average monthly value of the vouchers for a particular transit system (i.e., train, bus, subway). The Employer shall determine whether the reimbursement of mass transit expenses is permissible and advise AFLAC as to which of its locations and employees are eligible for such benefits under the "significant administrative cost" provisions of the proposed Section 132 regulations.

ADMINISTRATIVE EXPENSES

Administrative expenses incurred in operating the Plan shall be paid by (check one):

- () The Employer, except as otherwise noted in the Plan.
- () The Participants, except as otherwise noted in the Plan.

ACCOUNT BALANCES

Unused Account balances will be carried over to reimburse Eligible Transportation Expenses (up to the statutory limits) incurred in **subsequent** Coverage Periods. Balances will only be carried over for active participants. Upon termination, any unused Account balances will be forfeited.

**SECTION 132(f) TAX-FREE TRANSPORTATION PLAN
PLAN SUMMARY**

Introduction

Your Employer (the "Employer") is pleased to sponsor an employee benefit Plan known as a "Section 132(f) Tax Free Transportation Plan" (the "Plan") for you and your fellow employees. The Employer provides you with the opportunity to use pre-tax dollars to pay for Eligible Transportation Expenses by entering into a salary reduction arrangement instead of receiving a corresponding amount of your regular pay. This arrangement helps you because the benefits you elect are nontaxable; you save social security and income taxes on the amount of your salary reduction.

This Plan Summary describes the basic features of the Plan, how it operates, and how you can get the maximum advantage from it. The booklet is only a summary of the key parts of the Plan, and a brief description of your rights as a Participant. It is not a part of the official Plan documents. If there is a conflict between them and this booklet, the Plan documents will apply. If you have any further questions regarding the terms of this Plan, contact the Plan Administrator or your Human Resources supervisor.

Questions & Answers

Q-1. What is the purpose of the Plan?

The purpose of the Plan is to allow eligible employees to use funds provided by the Employer through employee salary reduction to fund Eligible Transportation Expenses. Under the arrangement, the Employer may use such funds to pay eligible Parking and Mass Transit Expenses directly on your behalf, or allow you to submit claims for reimbursement of your out-of-pocket eligible Parking and Mass Transit Expenses. [Note: Transit passes may generally be purchased by your Employer and distributed to you. You cannot generally be reimbursed for your out-of-pocket Mass Transit Expenses unless your Employer determines that there is a significant administrative cost associated with purchasing the passes.]

Q-2. Who can participate in the Plan?

Each employee of the Employer who meets the description of eligible Employee in the Employer Information Section is eligible to participate in the Plan. Those employees who actually participate in the Plan are called "Participants". An employee continues to participate until he or she: i) elects not to participate in accordance with Q-6; or ii) is no longer employed by the Employer

Q-3. What tax advantages are available through the Plan?

The Plan permits you to pay for Eligible Transportation Expenses with pre-tax dollars through salary reduction rather than regular pay. The use of pre-tax dollars reduces your taxable income and you save Social Security and income taxes on the amount of your salary reduction. Suppose your monthly gross pay is \$2,500 per month and your parking costs are \$100.00 per month. Also, suppose your total withholdings (income tax and Social Security) are 22.65%. After paying for coverage from your after-tax pay, your take home pay is \$1,833.75. However, under the pre-tax premium Plan, you will be considered to have received \$2,400.00 gross pay rather than \$2,500 for tax purposes with \$100.00 contributed for Eligible Transportation Expenses. This means your take home pay will be \$1,856.40 with the pre-tax premium Plan rather than \$1,833.75 without it. Thus, you save \$22.65 per month (\$271.80 per year) by participating in the pre-tax premium Plan. The Table below illustrates this savings.

	<u>With Transportation Plan</u>	<u>Without Transportation Plan</u>
Gross Monthly Pay	2,500.00	2,500.00
Pre-Tax Parking Under Plan	100.00	--
Taxable Income	2,400.00	2,500.00
Estimated Federal Tax (15%)	360.00	375.00
FICA Tax	183.60	191.52
After-Parking		<u>100.00</u>
Take Home Pay	<u>1,856.40</u>	<u>1,833.75</u>

Of course, your actual tax-savings will vary depending on your circumstances.

Q-4. How do I become a Participant?

You become a Participant by signing an individual Salary Reduction Agreement electing to participate in the Plan, as well as agreeing to a salary reduction in order to fund your Reimbursement Account after you become eligible. You will be provided a Salary Reduction Agreement when you first become eligible to participate.

You must complete the form and turn it in to the Personnel Office before you can become a Participant, whereby you agree to reduce your unearned salary/compensation by the amount of your future Eligible Transportation Expenses for the applicable Coverage Period (e.g., the monthly or pay period specified above). The Coverage Period amount elected for reduction will be divided by the remaining payroll periods in the Coverage Period. The resulting per payroll period reduction amount will be deducted on a pre-tax basis until you change your election.

Q-5. What are the enrollment periods for entering the Plan?

The initial period for enrolling in the Plan is the period specified by the Plan Administrator immediately proceeding the Plan's Effective Date. After the initial enrollment period, you may enroll in the Plan prior to any applicable Coverage Period on regular enrollment periods conducted as set forth in the Employer Information Section, by following the procedures for becoming a Participant before the next enrollment period. The Plan Administrator may require you to complete enrollment procedures within a specified time period before the enrollment period.

Q-6. Can I change my election during a Coverage Period?

No. Once a Salary Reduction Agreement is made, it cannot be changed during the Coverage Period to which it relates. Changes may be made to your election, however, for future Coverage Periods provided the change is made before the earlier of: i) the Coverage Period to which it relates; and ii) the receipt of Eligible Transportation Expense Benefits to which it relates. Such election shall be effective the first pay period after the Employer processes the change.

Q-7. What is my "transportation expense reimbursement account"?

If you elect benefits under the Plan, your employer will establish and maintain a non-interest bearing transportation expense reimbursement account ("Account") to keep a record of the reimbursements you are entitled to.

Q-8. How is my Account funded?

When you complete the Salary Reduction Agreement, you specify the amount of Qualified Transportation Expense benefits for which you wish to pay with your salary reduction. Thereafter, your Account will be credited with that portion of your gross income you have elected to forego through salary reduction. These portions will be credited as of each pay period.

Benefit Elected	Annual Cost
\$100/month for Qualified Parking	\$1200

Assuming you are paid twice a month, the cost of the above benefits per paycheck would be \$50.00. The tax-free total of \$1200 would be spread equally over 24 paychecks, or \$50.00 per pay period. Thus, each pay period, the corresponding amounts would be as follows:

Total Withheld per Pay Period	\$ 50.00
-------------------------------	----------

The maximum aggregate level of benefits that may be elected is the maximums set forth in Section 132(f) of the Internal Revenue Code

Q-9 What is an "Eligible Transportation Expense"?

Eligible Transportation Expenses include:

Qualified Parking Expenses defined as expenses incurred to park your car on or near the business premises of the Employer or expenses incurred to park your car at a location from which you commute to work by (a) mass transit facilities, (b) a Commuter Highway Vehicle, or (c) by carpool.

Transit Pass Expenses defined as expenses incurred for a pass, token, fare card, voucher, or similar item (a "Pass") for transportation (1) on mass transit facilities, whether or not publicly owned, or (2) provided by any person in the business of transporting persons for compensation or hire if such transportation is provided in a vehicle with a seating capacity of at least six adults (excluding the driver).

Request for reimbursement of Qualified Transportation Expenses should be submitted to your Employer or the Claims Service Provider as outlined in the Employer Information Section.

SPECIAL RULES FOR TRANSIT PASSES: A cash reimbursement may not be provided for an Employee's mass transit expenses if a voucher (or similar item that may be exchanged only for a transit pass) is readily available to the Employer for direct distribution to Employees. Thus, if Transit Passes are readily available, the Plan will purchase the Transit Pass directly and charge the cost against the Account of the employee requesting a Transit Pass. A voucher (or similar item) is readily available if (1) the Employer can obtain the voucher on terms that are no less favorable than the terms available to an Employee directly and (2) the Employer does not incur a significant administrative cost in obtaining the voucher. An administrative cost will be determined to be "significant" if the Plan Administrator (in its sole discretion) determines that the average administrative cost incurred by the Employer (excluding delivery charges of \$15 or less) is more than one percent (1.0%) of the average monthly value of the vouchers for a particular transit system (i.e., train, bus, subway). Your Employer, in enrollment materials, will tell you whether reimbursement for mass transit expenses is possible.

Commuter Highway Vehicle (Van Pool) Expenses defined as expenses incurred for transportation in a "commuter highway vehicle" if such transportation is in connection with travel between the Employee's residence and place of Employment. A Commuter Highway Vehicle is any highway vehicle with a seating capacity of at least 6 adults (not including the driver), and at least 80 percent of the mileage of which vehicle is for purposes of transporting employees in connection with travel between their residences and their place of employment and on trips during which the number of employees transported for such purposes is, on average, at least one-half of the adult seating capacity of the vehicle (not including the driver)

Q-10. What is the maximum Qualified Transportation Expense benefit I may elect?

The maximum amount you may contribute to the Account cannot exceed the maximum amount specified in Section 132(f) of the Internal Revenue Code. For 2002, the maximum amount is:

For Qualified Parking Expenses	\$185/month
For Transit Passes and Commuter Highway Vehicle Expenses (combined total)	\$100/month

Q-11. How do I receive reimbursement under the Plan?

When you incur an expense that is eligible for payment, you must complete and submit a Request for Reimbursement Form (which will be supplied to you) to your Employer or the Claims Service Provider as outlined in the Employer Information Section. As a general rule, you must submit a receipt (or other third party verification) along with your claim form. For Eligible Transportation Expenses, you will be reimbursed for your eligible expenses up to the amount that has been deducted from your pay check, not to exceed \$185 a month for Parking or \$100 for Mass Transit Passes, following submission of the Request for Reimbursement.

What if I Overestimate My Expenses: If your reimbursement request was for less than your current Account balance, the unused amounts in your Account will roll over and be available for future reimbursements. You may need to adjust the election for the next Coverage Period in order to use up your surplus Account balance. For example, if your monthly parking election (and anticipated monthly expense) is \$100, but you only incur \$75 worth of Eligible Parking Expenses in January, you might want to change your election for February to \$75 in order to use up the \$25 surplus from January. Then, you can increase your election back to \$100 for March prior to March 1st.

What if I Underestimate My Expenses: If your reimbursement request was for an amount that was less than \$185, but more than your current Account balance, the excess part of the reimbursement will be carried over into the following months; to be paid out as your balance becomes adequate (subject to the monthly maximum described above). Remember, though, that you can't be reimbursed for any total expenses above your available credits to your Account. You may not be reimbursed for any expenses that arise before your Salary Reduction Agreement becomes effective.

If you are provided a Transit Pass that is purchased directly by the Employer or Plan Administrator, your Account will be debited directly for the cost of the Transit Pass. You will not need to submit a Request for Reimbursement Form.

If you submit a request for reimbursement that is less than \$15.00, it will be carried forward and combined with future requests until the reimbursable amount is greater than \$15.00. If your account balance is less than \$15.00, then the entire amount of the reimbursable requests shall be paid after the close of the Plan Year.

In addition, you will have 90 days after the end of the Plan Year in which to submit a Request for Reimbursement form for Eligible Transportation Expenses incurred during the previous Plan Year. You will be notified in writing if any request for reimbursement is denied.

Q-12. What if I have an account balance and I terminate my employment?

If you have any funds in your Account at the time you terminate employment, any amounts not applied for Eligible Transportation Expenses incurred prior to the termination will be forfeited.

Q-13. Will I have any administrative costs under the Plan?

Unless otherwise indicated in the Employer Information Section, the Employer is bearing the entire cost of administering the Plan.

Q-14. How long will the Plan remain in effect?

Although the Employer expects to maintain the Plan indefinitely, it has the right to modify or terminate the Plan at any time. It is also possible that future changes in state or federal tax laws may require that the Plan be amended accordingly.

Q-15. What happens if a request for reimbursement is denied?

If you are denied a benefit under this Plan, the Plan's Administrator will notify you in writing within 90 days of the date you submitted your request. Such notification will set out the reasons your request was denied, and further advise you of what steps, if any, you might take to validate the request. It will further advise you of your right to request an administrative review of the denial of the request; you may request a review any time within the 60-day period after you have received notice that the request was denied. You will have the opportunity to review any important documents held by the Plan Administrator, and to submit comments and other supporting information. In most cases, a decision will be reached within 60 days of the date you request a review.

Q-16. What effect will Plan participation have on Social Security and other benefits?

Plan participation will reduce the amount of your taxable compensation. Accordingly, there could be a decrease in your Social Security benefits and/or other benefits (e.g., pension, disability and life insurance) which are based on taxable compensation.