

TRUST ADMINISTRATORS, INC. - SAMPLE

COMMUTER BENEFIT PLAN

EMPLOYEE SUMMARY

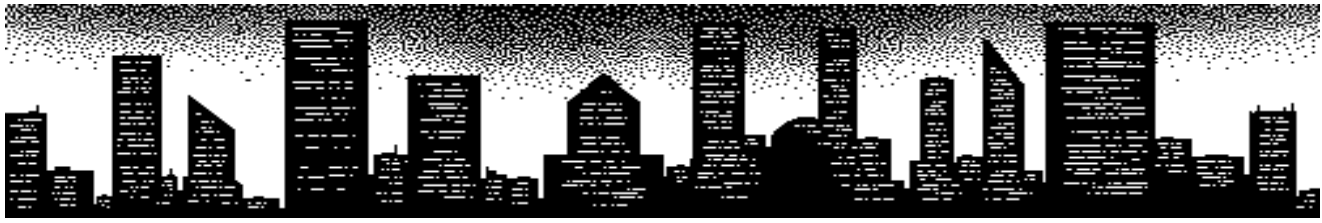
January 1, 2005



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COMMUTER BENEFIT PLAN - EMPLOYEE SUMMARY**

Plan Year: Start: January 1, 2005 End: December 31, 2005

HOW THE PLAN WORKS

The Commuter Benefit Plan (CBP) allows you to use untaxed salary to pay for your work related mass transit and parking expenses - your commutation expenses to and from work.

You save on federal, state and social security payroll taxes. We estimate employees will save about \$200 a year on mass transit expenses and \$600 on parking expenses. The higher your tax bracket, the more you will save. See Examples at page 2. Only a few states do not allow state income savings from a CBP, California allows the tax savings.

Congress created this plan to encourage public transit and carpooling. Below are the simple rules for **MASS TRANSIT** and **PARKING** benefits. **You may enroll in one or both accounts as needed.** There are no extra forms to complete when filing your individual tax return.

MASS TRANSIT BENEFIT FOR 2005 CALENDAR YEAR

You may deduct on a pre-tax basis up to \$105 per month (\$1,260 per calendar year) to pay your mass transit and vanpool expenses when traveling to or from work. Each calendar year the amount is adjusted for inflation.

Mass Transit includes: Trains, buses, subways, ferries and vanpools (see definition below).

Ineligible Expenses: Bicycling, walking, roller blading, tolls and carpools that do not meet the vanpool definition. Also, spouse's transit expenses may not be included with your CBP.

•A vanpool or "commuter highway vehicle" must have a seating capacity of at least 6 adults (not including the driver) and at least 80% of the mileage must be used for transporting employees between their homes and places of employment. For these commuting trips, the number of employees transported must be at least one-half of the adult seating capacity of the vehicle, excluding the driver. Carpools that do not satisfy the vanpool definition noted above are not eligible for the Program.

•The term "transit pass" means any pass, token, farecard, voucher or similar item entitling a person to use mass transit (whether or not publicly owned) or provided by a person in the business of transporting persons in a vehicle meeting the commuter highway vehicle definition.

PARKING BENEFIT FOR 2005 CALENDAR YEAR

You may deduct up to \$200 each month (\$2,400 per calendar year) pre-tax to pay your parking expenses incurred at or near the company worksite or to a location from which you commute to work by carpool, vanpool or mass transit. According to IRS regulations, if a receipt is not provided in the ordinary course of business (e.g. parking at meters or at a lot requiring you to place money in a slot), then receipts are not required if you certify the type and amount of expenses incurred - use TAI's special form, "Parking Without Receipt," to satisfy this rule. These forms are available from TAI's website or your Human Resources Department.

Ineligible Expenses: Bridge tolls, gasoline, parking at your residence or spouse's parking expenses.

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MASS TRANSIT & PARKING BENEFITS FROM MORE THAN ONE EMPLOYER

Some employees have two or more jobs. Each employer may establish a CBP with employees electing to reduce their compensation up to the federal limits outlined in this Employee Summary.

PLANNING YOUR EXPENSES & ENROLLMENT

Estimate your average monthly commuter expenses for the Plan Year indicated above.

Using the CBP's Enrollment Form, indicate the amount you want deducted for the year and return it to Human Resources. The amount elected will be deducted evenly each pay period throughout the year.

CHANGING YOUR CONTRIBUTIONS - MODIFICATIONS - CARRY-OVER CONTRIBUTIONS

You may enroll, disenroll or modify your contributions at any time by notifying Payroll or Human Resources. You do not need a life event or status change like a Flex-Plan. However, so the administration does not become difficult, please try to minimize those changes and plan carefully.

A CBP does not have a "use-it or lose-it" rule like a Flex-Plan.

There is no carry-over of unclaimed contributions. Instead, your funds are returned to you as taxable income after the grace period (see below). Remember, you may change your contributions at any time, but only on a prospective basis (going forward), not retroactive.

If your commuter expenses do not change month to month (e.g. you purchase a monthly transit pass or park at a lot at the same rate each month), modifications should not be necessary.

VIEW YOUR ACCOUNTS ONLINE

Go to: www.trustadmin.com • Click Account Lookup.
Enter your Social Security Number.

ONLINE ACCOUNT LOOK-UP

"ACCESS" NUMBER: Sample
PASSWORD: It's a Secret

EXAMPLES OF EMPLOYEE SAVINGS

<u>Example 1</u>	<u>With Plan</u>	<u>No Plan</u>	<u>Example 2</u>	<u>With Plan</u>	<u>No Plan</u>
Employee Income	\$32,500.00	\$32,500.00	Family Income	\$45,000.00	\$45,000.00
Transit [\$60/Mo.]	<u>-720.00</u>	<u>-0.00</u>	Parking [\$180/Mo.]	<u>-2,160</u>	<u>-0.00</u>
Taxable Pay	\$31,780.00	\$32,500.00	Taxable Pay	\$42,840.00	\$45,000.00
Estimated Taxes	<u>-7,797.00</u>	<u>-8,295.00</u>	Estimated Taxes	<u>-17,316.00</u>	<u>-18,292.00</u>
After-Tax Income	\$23,983.00	\$24,205.00	After-Tax Income	\$25,524.00	\$26,708.00
Transit [\$60/Mo.]	<u>0.00</u>	<u>-720.00</u>	Parking [\$180/Mo.]	<u>0.00</u>	<u>-2,160.00</u>
Spendable Income	\$23,983.00	\$23,485.00	Spendable Income	\$25,524.00	\$24,548.00
Tax-Free Income with CBP: <u>\$498.00</u>			Tax-Free Income with CBP: <u>\$976.00</u>		

Your savings may differ based on exemptions, deductions, contributions to retirement, etc.

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FILING CLAIMS & REIMBURSEMENT OF EXPENSES

After incurring a commuter or parking expense, file a claim with Trust Administrators, Inc. (TAI). Include documentation (copies of transit ticket, monthly Fast Pass, parking receipt). You may also file annual claims - see Claim Form for details. If a parking receipt is unavailable, complete the "Parking Without Receipt" form that is available from your H.R Dept. or TAI's website under "Forms." TAI will reimburse you per the schedule listed on the Claim Form. Extra Claim Forms are available from Human Resources and online. You have an extra 90 days after the end of each plan year to submit last year's expenses. This is referred to as the "grace" period.

REIMBURSEMENT OF EXPENSES UPON TERMINATION

IRS regulations provide that if you terminate employment during the plan year, your last CBP contribution and reimbursement will be prorated to the date of termination.

Claims may be submitted upon termination at any time during the balance of the plan year, including the grace period (90 days after the plan year ends).



PLANNING YOUR COMMUTER EXPENSES
HOW MUCH WILL YOU SAVE?

2005 TAX TABLES

Income Tax Brackets	Filing Status			
	Single	MFJ	MFS	HOH
\$1 - \$7,300	17.65	17.65	17.65	17.65
7,301 - 10,450	22.65	17.65	22.65	17.65
10,451 - 14,600	22.65	17.65	22.65	22.65
14,601 - 29,700	22.65	22.65	22.65	22.65
29,701 - 39,800	32.65	22.65	32.65	22.65
39,801 - 59,400	32.65	22.65	32.65	32.65
59,401 - 59,975	32.65	32.65	32.65	32.65
59,976 - 71,950	32.65	32.65	35.65	32.65
71,951 - 90,000	35.65	32.65	35.65	32.65
90,001 - 91,400	29.45	26.45	29.45	26.45
91,401 - 102,800	29.45	26.45	34.45	26.45
102,801 - 119,950	29.45	26.45	34.45	29.45
119,951 - 150,150	29.45	29.45	34.45	29.45
150,151 - 163,225	34.45	29.45	34.45	29.45
163,226 - 166,450	34.45	29.45	36.45	29.45
166,451 - 182,800	34.45	29.45	36.45	34.45
182,801 - 326,450	34.45	34.45	36.45	34.45
326,451 & More	36.45	36.45	36.45	36.45

Add State Taxes of 3% to 9% for Extra Savings.
Social Security Limit is \$90,900; salaries above that amount save 6.2%, but Medicare payments of 1.45% continue.

COMMUTER WORKSHEET

**Estimate Your Tax Savings . . .
Save Up To 40% on Commuter Costs**

1. Annual Gross Income (Yours & Spouse) _____
2. List Annual Commuter Expenses:
 - A. Mass Transit _____
 - B. Parking _____
- TOTAL _____
3. Find Taxable Income. Multiply Tax Rate % by Line 2 and Enter Result to compute tax savings. \$

Online Calculator at
www.trustadmin.com
Questions: 800-932-3539