

ASYNCHRONY SOLUTIONS  
A DIVISION OF  
SCHAFER CORPORATION  
COMMUTER CHOICE BENEFIT PLAN  
SUMMARY PLAN DESCRIPTION

May 5, 2011

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## **INTRODUCTION**

Asynchrony Solutions, a division of Schafer/3D Research Corporation (the “Employer”), is pleased to sponsor an employee benefit program known as the Asynchrony Commuter Choice Benefit Plan (the “Plan”). This Plan is intended to assist Participants in reducing the cost of commuting to and from work, as defined herein. Section 132(f) Qualified Transportation Fringe Benefits of the Internal Revenue Code allows you to use pre-tax dollars to pay for qualified parking and commuter expenses.

This document describes the basic features of the Plan, how it operates, and how you can participate. This is only a summary of the key parts of the Plan and a brief description of your rights as a Participant.

## **PURPOSE OF THE PLAN**

The purpose of the Plan is to allow Eligible Employees to use funds provided through salary reduction to pay for eligible transportation benefits, such as mass transit passes, qualified parking expenses, and qualified commuter highway vehicle expenses under the Plan with pre-tax dollars.

## **TRANSPORTATION BENEFITS**

The Plan allows you to use pre-tax dollars to reimburse yourself for your eligible Transportation Expenses up to a monthly limit. If you decide to use the Plan, your taxable income will be reduced by the amount of money you choose to contribute toward the cost of your eligible Transportation Expenses. This arrangement helps you because the benefits you elect are non-taxable, which saves you Social Security and income taxes on the amount of your salary reduction.

## **ELIGIBLE TRANSPORTATION BENEFITS PROVIDED BY THE PLAN**

The Plan includes the following Transportation Benefits:

- *Transit Pass Benefits* – permits an Employee to pay, with pre-tax dollars, for the cost of qualifying Transit Pass Expenses for mass transit passes, e.g. bus, train, subway, ferry, vouchers, tokens, fare card, or similar item that enables the Employee to travel between their residence and place of employment.
- *Commuter Highway Vehicle (Van Pool) Benefits* – permits an Employee to pay, with pre-tax dollars, for his or her qualifying Commuter Highway Vehicle transportation expenses to and from work and their residence. A Commuter Highway Vehicle is defined as a highway vehicle seating six or more adults (not including the driver) and with a reasonable expectation that at least 80% of the mileage use will be for the purpose of transporting employees between work and residence on trips carrying at least one-half of the adult seating capacity of the vehicle (not including the driver).
- *Qualified Parking Expenses* – permits an Employee to pay, with pre-tax dollars, for his or her share of the Cost of Qualified Parking Expenses as defined (a) at or near the business of the Employer or (b) at or near a location from which the Employee commutes by Commuter Highway Vehicle, or by carpool. Parking at or near an Employee’s residence is excluded.

- *Qualified Bicycle Expenses* – permits an Employee to pay, with pre-tax dollars, for his or her share of the cost of reasonable bicycle expenses incurred by the Employee during the calendar year. Reasonable expenses include: the purchase of a bicycle, bicycle improvements, repair, and/or storage. These are considered reasonable expenses as long as the bicycle is regularly used for travel between the employee's residence and place of employment during a portion of the year.

## **ELIGIBILITY REQUIREMENTS**

Employees who earn compensation and who satisfy the **eligibility and waiting period requirements** listed in Appendix A found at the end of this document are eligible to participate in the Plan.

("Employee" means an individual that the Employer classifies as a common-law employee, who is classified for payroll purposes as a full-time regular or full-time flex employee, and who is on the Employer's W-2 payroll, except that the term does not include a common-law employee who is a leased employee, or any common-law employee classified by the Employer as a contract worker, independent contractor, temporary employee, part-time employee, on-call employee, co-op student, intern, or casual employee. "Employee" also does not include any individual who performs services for the Employer but who is paid by a temporary or other employment or staffing agency. Nor does the term include any self-employed individual, partner, or more-than-2% shareholder of a Subchapter S corporation.)

The Employees who actually participate in the Plan are called "Participants". An Employee continues to participate until (a) termination of the Plan, (b) the date on which the Participant ceases to be an eligible employee, or (c) the date on which the Participant's written revocation becomes effective.

## **TAX SAVINGS BY PARTICIPATING IN THE PLAN**

You save both federal income tax and FICA (Social Security) taxes by participating in the Plan. The following is an example of the tax savings you might experience as a result of participating in the Plan:

Suppose that your gross pay is \$2,500 per month and that your qualified Transportation Expenses are \$100 per month for parking on or near your Employer's premises. Your monthly take-home pay will be \$1,834 if you pay your parking costs on an after-tax basis, and \$1,856 if you pay instead on a pre-tax basis. (This is because if you participate in the Plan, you will be considered for tax purposes to have received \$2,400 gross pay for the month (rather than \$2,500), with \$100 contributed for transportation benefits.) So, you saved \$22 per month (\$264 annually) by participating in the Plan.

Of course, your actual tax savings will vary depending on your circumstances. Additional tax savings might be available under state and local law (e.g., there may also be state income tax savings depending on where you live).

Some states (Massachusetts included) do not adopt the full federal income exclusion for transit pass and employer-provided vanpool benefits if the Employer offers the benefit as a reduction in salary and the Employee chooses the benefit in lieu of salary.

## AFFECT ON SOCIAL SECURITY AND OTHER BENEFITS

Participating in the Plan will reduce the amount of your taxable compensation. Accordingly, there could be a decrease in your Social Security benefits and/or other benefits that are based on taxable compensation. However, the tax savings that you realize through participation in the Plan will often more than offset any reduction in other benefits.

## ELECTION PROCESS

Each month you will have the opportunity to re-enroll or waive participation in the Plan. You can become a Participant by completing and signing the Commuter Choice Benefit Enrollment Form (the Enrollment Form), provided by your Employer. On the Enrollment Form, you elect one or more of the benefits available under the plan as well as agree to a salary reduction of pay for those benefits you elected. Your salary reduction will be a one time a month amount equal to your monthly transportation cost(s). You must complete the Enrollment Form and turn it into the **Plan Administrator** listed in the General Information section found at the end of this document within the time period specified by the Plan Administrator.

## TERMINATION

Your participation in the Plan will cease upon termination of your employment or if you no longer meet the eligibility requirements. If you are rehired as an Eligible Employee, you may begin to participate immediately. If you cease to be an Eligible Employee for any other reason (such as reduction in hours), you may begin participating as soon as you become eligible again.

The Plan has been designed to comply with all current laws regarding Section 132(f) Qualified Transportation Fringe Benefit plans. Employer expects and intends to maintain the Plan indefinitely, but it may be changed, amended, or terminated at any time for any reason. It is also possible that future changes in state or federal tax laws may require that the Plan be amended accordingly.

## MAXIMUM BENEFITS

You may choose any amount of Transportation Expense reimbursement that you wish under the Plan, up to the maximum. The pre-tax maximum amount that you may have withheld from your pay (including both Employer contributions (if any) and your payroll reductions) cannot exceed the maximum amount specified in Code 132(f) listed in Appendix A found at the end of this document relative to the annual pre-tax benefit(s) are provided on your Employer's Commuter Choice Enrollment Form.

## TRANSPORTATION EXPENSES

Eligible "Transportation Expenses" means expenses incurred or paid during the month for which an election is in force, provided that you are currently an Eligible Employee at the time the Transportation Benefit is provided to you. (Transportation Benefits are provided on the date you receive a Transit Pass (as defined below) or similar item, or in any other case, the date you use the Transportation Benefit. Transportation Expenses include Transit Pass Expenses, Commuter Highway Vehicle Expenses, Qualified Parking Expenses, and Qualifies

Bicycle Expenses, which are defined as follows:

- *Transit Pass Expenses* are expenses incurred or paid for a pass, token, fare card, voucher or similar item (Transit Pass) for transportation (a) on mass transit facilities (such as train, bus, subway or ferry), whether or not publicly owned, or (b) 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).
- *Commuter Highway Vehicle (Van Pool) Expenses* are expenses incurred or paid for transportation in a Commuter Highway Vehicle if such transportation is in connection with travel between your residence and place of employment. A Commuter Highway Vehicle is any highway vehicle with a seating capacity of at least six adults (not including the driver), and in which at least 80% of the mileage for a year is for purposes of transporting employees in connection with travel between their residences and their places of employment, and on trips during which the number of employees transported for such purposes is at least half of the adult seating capacity of the vehicle (not including the driver).
- *Qualified Parking Expenses* are expenses incurred or paid for parking at or near your regular place of employment with the Employer, or expenses incurred to park your car at a location from which you commute to your regular place of employment by (a) carpool, (b) a Commuter Highway Vehicle, (c) mass transit facilities, or (d) transportation provided by any person in the business of transporting persons for compensation or hire, if such transportation is in a Commuter Highway Vehicle.
- *Qualified Bicycle Expenses* – permits an Employee to pay, with pre-tax dollars, for his or her share of the cost of reasonable bicycle expenses incurred by the Employee during the calendar year. Reasonable expenses include: the purchase of a bicycle, bicycle improvements, repair, and/or storage. These are considered reasonable expenses as long as the bicycle is regularly used for travel between the employee's residence and place of employment.

## GENERAL INFORMATION

**Names of Plan:** Asynchrony Commuter Choice Benefit Plan

**Plan Sponsor, Plan Administrator, and Employer Information:**

Asynchrony Solutions  
Human Resources  
1701 Washington Avenue  
St. Louis, MO 63103  
314.678.2200

**For Questions, or Service of Legal Process Contact the Plan Sponsor**

**Above. Employer Identification (Tax ID Number):** 43-1889131

**Account Administrator:** Asynchrony Human Resource Department

**Type of Plan:** The Commuter Choice Benefit Plan is a Qualified Transportation Fringe Benefit plan under Section 123(f) of the Internal Revenue code, allowing a choice of certain qualified benefits.

**Effective Date:** June 1, 2011 = Asynchrony Commuter Choice Benefit Plan

## APPENDIX A

**Eligible Employee:** An employee who is classified for payroll purposes as a full-time regular or full-time flex employee. A full-time regular employee is regularly scheduled to work at least 40 hours per week. A full-time flex employee is regularly scheduled to work between 20 to 39 hours per week, inclusive.

**Waiting Period:** There is no waiting period. Eligible Employees may begin participating on the date of hire or when the employee becomes an Eligible Employee.

**Monthly Maximum:** Parking Expenses = \$230/month  
Transit Expenses = \$230/month  
Bicycle Expenses = \$20/month