

IMPORTANT INFORMATION ON HOW YOU MAY INCREASE YOUR TAKE-HOME PAY

We are pleased to offer you our Premium Only Plan (PCP). By taking part in this employee benefit plan, you will essentially be giving yourself a raise. The Plan is voluntary.

The Premium Only Plan allows employee payroll deduction for group insurance premiums to be taken before taxes instead of after taxes. By participating you could save 30% of the amount you spend on group insurance premiums. The extra money you put in your pocket comes from not having to pay Social Security, Medicare and Federal Income Taxes on your premium deductions. In some states, you also save by not having to pay State Income taxes either.

Take a look at the following example to see how much the Plan saved one employee:

Our example: John Samson earns \$2,000 per month. John contributes \$150 a month towards his health premium and \$35 a month towards his dental premium. Here's how John's take-home pay was increased simply by participating in the POP:

	WITHOUT POP *	WITH POP
Monthly Income	\$2,000.00	\$2,000.00
Health Insurance Premium (pre-tax)		\$ 150.00
Dental Premium (pre-tax)		\$ 35.00
Taxable Income	\$2,000.00	\$1,185.00
Federal Withholding	\$ 240.00	\$ 210.00
Social Security/Medicare	\$ 153.00	\$ 138.85
State Withholding	\$ 89.80	\$ 74.10
Health Insurance (after-tax)	\$ 150.00	
Dental (after-tax)	\$ 35.00	
Take Home Pay (Net Paycheck):	\$1,332.20	\$1,392.05
Monthly Savings:		\$ 59.85
Annual Savings:		\$ 718.20

* These figures assume that John is a NY resident, is single, claims one exemption, does not itemize and has no other taxable income.

We are sure that you will find that the results of cutting your benefit costs can be quite beneficial, indeed. Please review page 3 of this document and check the appropriate box designating if you wish to enroll or if you decline to enroll in the POP at this time and return this document to Barbara McGivney at B.McGivney@gtsllc.com

**GENERAL TECHNICAL SERVICES
PREMIUM ONLY PLAN
PLAN HIGHLIGHTS**

1. The name of the Employer is General Technical Services, LLC
2. The name of the Plan is General Technical Services Premium Only Plan
3. You are eligible to participate in the plan if a 40 hour work week is performed
4. You can begin participation in the plan on the date you meet the eligibility requirements
5. You can pay your share of premiums for the following kinds of group insurance through the plan:
* Health Insurance * Group Term Life * Dental Insurance *
6. The Plan Year begins on 1 January and ends on 31 December. The first plan year for this plan was 1 January 1998 thru 31 December 1998.
7. The Plan's Administrator's name, address and telephone number is as follows:

General Technical Services, LLC
3100 Route 138 - Bldg. 3
Wall Township, NJ 07719
tel : 732-280-2022

8. The effective date of the Plan is: 1 January 1998
9. The Plan Number is: 550
10. The Employer ID number is: 22-3466294
11. The agent for service of legal process is:

General Technical Services, LLC
3100 Route 138 - Bldg. 3
Wall Township, NJ 07719
tel : 732-280-2022

PREMIUM ONLY PLAN ENROLLMENT FORM

Employer Name _____

Employee Name

Social Security Number

Participation in the Premium Only Plan is optional for all eligible employees who are enrolled in one or more of our insurance programs. Under the Premium Only Plan, your income will be reduced to pay your share of premiums for these insurance programs on a pre-tax basis. As a participant in the Plan:

- Your required share of premiums will be deducted pre-tax from your pay through equal payroll deductions during the plan year. Prior to the start of the next plan year, you will have the opportunity to change your benefit elections.
- You cannot change or discontinue your elections during the plan year unless you have a family status change as set forth in the summary plan description that is consistent with your change or discontinuance of your election (i.e. marriage, birth, divorce, etc.).
- If premium amounts increase or decrease during the plan year, the plan administrator will automatically adjust your payroll deductions to the amount of your required contributions for the remainder of the plan year. If there is a significant increase in the cost of your health insurance premiums or a significant decrease in your health insurance coverage, you may revoke your election for health insurance coverage and replace it with an election of similar coverage. [Note: This last sentence applies only if benefits are provided through a third party carrier.]
- Your premium elections will terminate at the time you terminate employment unless you elect to continue making contributions on an after-tax basis.
- The plan administrator may change the amount of your elections or otherwise modify this agreement if necessary to satisfy provisions of the Internal Revenue Code.

Please check the appropriate box, sign this enrollment form and return it to the plan administrator.

- I elect to participate. By checking this box, I understand that my salary will be reduced to pay for insurance premiums on a pre-tax basis. I understand that I cannot change this election until the beginning of the next plan year, except as provided above.
- I do not want to participate. By checking this box, I understand that my salary will not be reduced to pay for insurance premiums on a pre-tax basis. I understand that I cannot change this election until the beginning of the next plan year, except as provided above.

Employee's Signature _____ Date _____