

OBRA Information Sheet

Basic Facts about OBRA and the Deferred Compensation Plan

As a part-time, seasonal or temporary employee of the Commonwealth of Massachusetts, or a Massachusetts local government employer, you are required to participate in the Commonwealth of Massachusetts Deferred Compensation Plan ("Plan"). The Plan is an alternative to Social Security coverage as permitted by the federal Omnibus Budget Reconciliation Act of 1990 ("OBRA"). By virtue of participating in the Plan, you, as an OBRA employee, are not subject to tax on compensation under the Old Age, Survivors and Disability Income portion of FICA (the Federal Insurance Contributions Act). You will be subject to the Medicare portion of FICA.

Mandatory Contributions

As an OBRA employee, you must contribute at least 7.5% of your gross compensation per pay period to the Plan. Your contributions are made on a tax-deferred basis. This means that your contributions are not subject to federal or state income tax at the time they are made. You will be taxed on the value of your contributions (including any earnings) when you receive a distribution of your benefits from the Plan.

Your human resources or payroll center representative will provide you with the necessary form (Participation Agreement – Mandatory OBRA Contributions) to complete and return them. They will forward this form to ING (the administrator of the Plan).

Voluntary Contributions

If you wish, you may make additional contributions ("voluntary contributions"),

above the mandatory contribution level of 7.5% of compensation per pay period.

The total of your mandatory and voluntary contributions is subject to the Plan's maximum deferral limits set by the federal government (the lesser of 100% of includible compensation or \$11,000 for 2002). The dollar amount will increase annually in \$1,000 increments thereafter, until the dollar limit reaches \$15,000 in 2006 and will be adjusted to subsequent cost of living adjustments. For information regarding voluntary contributions, contact your local ING office (toll-free) at 1-877-721-5894. Select the local office that is closest to your place of employment (not closest to your residence).

Investments

Your mandatory contributions are automatically invested in the Income Fund. You may not transfer your mandatory contributions out of the Income Fund. Any voluntary contributions that you elect to make can be invested among the Plan's available investment options and are freely transferable between options in accordance with the terms of the Plan.

Withdrawals

Distribution of your Plan benefits can only be made upon your:

- Severance from employment
- Death
- Unforeseeable Emergency

Severance from employment occurs because of your voluntary or involuntary termination of employment. A leave of absence is not a severance from employment. Also, a change from part-time to full-time employment (or any similar change), is not considered an event that could result in a distribution from the Plan.

Federal regulations define an unforeseeable emergency as a severe financial hardship resulting from illness, accident or property loss to you or your dependent resulting from circumstances beyond your control. Payment from the Plan can only be made to the extent that your hardship expenses are not covered by insurance or funds available from other sources.

When you sever from employment or die, your benefits, attributable to mandatory contributions, will be payable to you or your beneficiary in a lump sum. Your benefits attributable to voluntary contributions may be distributed under other options available under the Plan. You may elect to receive your distribution immediately upon severance from employment. Your benefits will become taxable when received.

How to contact ING

In order for ING to service your account and send you regular account statements, please keep your address and beneficiary information current. To update your address or inquire about your account, contact our Customer Service Associates at 1-800-584-6001, 8:00 a.m. to 10:00 p.m. Eastern Time, Monday through Friday, and 8:00 a.m. to 4:00 p.m. on Saturday. You can also visit our Internet site using ING Access at www.ingretirementplans.com

Additional information is provided on the Commonwealth of Massachusetts custom web site at www.ingretirementplans.com/custom/mass. See this site for fund performance, an overview of the Income Fund, and more plan details.

www.ingretirementplans.com

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