Request for a Post-Separation Vacation Pay Deferral to the State of Hawai`i Deferred Compensation Plan (Island $avings Plan)

INSTRUCTIONS

The deferral of pay for unused vacation to your deferred compensation plan requires many steps and a great deal of coordination by several agencies. It is very important that the steps outlined in these instructions be followed for a successful deferral within the applicable time limits imposed by the Internal Revenue Service.

STEP 1. Read and review the following:

- Information Sheet for Vacation Pay Deferrals to the State of Hawai`i Deferred Compensation Plan (Island $avings Plan):
- Request for a Post-Separation Vacation Pay Deferral to the State of Hawai`i Deferred Compensation Plan (Island $avings Plan); and the
- Current Schedule for Post-Separation Vacation Pay Deferrals.

STEP 2. Complete the Request for a Post Separation Vacation Pay Deferral to the State of Hawai`i Deferred Compensation Plan (Island $avings Plan) and submit it to your Department Personnel Office as soon as you decide you would like to defer your unused vacation pay – but, **no later than fourteen (14) days prior to your last date of employment (COB date) before your separation from service** (unless waived by your Department Personnel and Payroll Office).

Note: The form requires that you provide the Target Vacation Payout and Deferral Date. To find this date, check the ***Schedule for Post Separation Vacation Pay Deferrals*** for the pay period in which you will be separating service (Column A), move along the same row to Column F - your applicable Target Pay Date of Vacation Payout and Deferral.

STEP 3. Upon submitting your completed Request for a Post Separation Vacation Pay Deferral Form to your Department Personnel Office, FAX a copy to Island $avings Plan Representatives at the Prudential Retirement – Honolulu Office –but, **no later than fourteen (14) days prior to your last date of employment (COB date) before separation from service** (unless waived by your Department Personnel and Payroll Offices).

Prudential Retirement – Honolulu Office Contact Information:

Phone:	1-888-712-5642, press '2' when prompted to be linked to the ING-Honolulu Office
Fax:	(808) 536-0572
Address:	1100 Alakea Street Suite 1550 Honolulu, HI 96813

STEP 4. **Cancel personal payroll deductions you have authorized** - except for your deferred compensation plan deduction. Such personal payroll deductions include, but are not limited to, parking fee deductions with DAGS/Parking Control; medical insurance with Hawaii Employer-Union Health Benefits Trust Fund (EUTF); Union benefit plans with your applicable Employee Union; Flexible Spending Account Plan (Island Flex) with Comprehensive Financial Planning, Inc.; credit union with which you are a member; etc. Requests to cancel your personal payroll deductions should be submitted as soon as possible and made effective upon your date of separation from service. See your Department Personnel Office for assistance.

Note: It is important to cancel your personal payroll deductions (non-deferred compensation plan deductions) to prevent such deductions from occurring when your unused vacation pay is paid out which may affect the amount actually deferred to your deferred compensation plan (Island $avings Plan).

STEP 5. Obtain your final unused vacation payout dollar amount (not vacation leave hours) from your Department Personnel or Payroll Office by the date listed in *Column B* of the Post Separation Vacation Pay Deferral Schedule for the pay period in which you separated service (see Column A of the schedule).

Note: ***You do not need to wait for your final audited unused vacation dollar amount if you want to defer the maximum allowable amount.*** **If your intent is to defer as much State and Federal taxes as possible, call the Prudential Retirement - Honolulu Office as soon as possible.**

STEP 6. Complete (including your desired vacation payout deferral amount), indicate whether you are on payroll lag or paid after the fact, sign, and submit to Island $avings Plan representatives at the Prudential Retirement – Honolulu Office the Prudential form entitled Post Separation Vacation Pay Deferral Election Form by the date shown in Column C of the Post Separation Vacation Pay Deferral Schedule for the pay period in which you separated service (see Column A). You may wish to contact a Prudential Retirement representative to discuss your deferral amount and what it means when you are on payroll lag or paid after the fact. **Reminder:** ***Please review your paycheck on pay day for the correct deferral amounts and report any discrepancies to Prudential Retirement within 2 days of pay date.***

IMPORTANT: Should you decide not to separate service (i.e. resign, retire, etc) or change your effective date of separation, you must notify Island $avings Plan representatives at the Prudential Retirement – Honolulu Office and your department personnel and payroll offices immediately to stop or adjust the date of your vacation payout and deferral – but, no later than the date listed in *Column D* (deadline for employee to rescind request for deferral with Prudential Retirement) of the Post-Separation Vacation Pay Deferral Schedule.