This information is intended to give you a summary of the important items to consider if/when you leave State government employment.

**Q1: If I am in the Deferred Compensation Plan, what should I do?**
The most important thing to do is notify Prudential Retirement, the Plan Administrator, as soon as you know you are terminating employment.

**Q2: What will happen if I don't notify Prudential Retirement early?**
You may miss the opportunity to contribute part of your unused vacation pay to the Deferred Compensation Plan (see Question #4 below).

**Q3: What happens after I notify Prudential Retirement?**
Prudential Retirement will assist you regarding any items pertaining to your Deferred Compensation Plan withdrawal decisions.

**Q4: Can I contribute part of my unused vacation pay to the Deferred Compensation Plan?**
That will depend on: (a) whether you contributed your maximum already and (b) whether you make arrangements with your Departmental Personnel Office and Prudential Retirement to participate in the Vacation Pay Deferral Program. See your Departmental Personnel Officer (DPO) for instructions, schedule of deadlines and forms.

**Q5: How soon can I begin withdrawing my Deferred Compensation benefits if I am laid off?**
If you want a lump sum or partial distribution/withdrawal, you may start after Prudential Retirement receives your termination status from your department and the termination notification has been updated on your Plan account. The termination date will be updated on your account by Prudential Retirement after the separation date. If you want any type of systematic installment payout, this distribution will start the month after your termination notification has been updated on your Plan account. However, if you are participating in the Post Separation Vacation Pay Program you may take out a partial lump sum; however, you must make arrangements with your DPO and Prudential Retirement.

**Q6: How long can the withdrawal of benefits be postponed?**
You are not required to take a distribution until the later of: (a) the year you reach age 70-1/2; or (b) the year in which you retire.
Q7: When do I have to make these withdrawal decisions?
You can make your decisions as early as you wish or you can postpone your decisions until you want/need the money.

Q8: What happens if I don't make any election?
The funds remain invested and protected from taxation until withdrawn by you.

Q9: Can I "roll-over" my Deferred Compensation funds to a 401(k), IRA or other similar type of plan?
Yes. Roll-overs from this type of plan (IRC 457) are permitted to another qualifying type of plan. Please note, this is not always advantageous. Please consult your tax professional before taking action.

Q10. Can I "roll-over" my Deferred Compensation funds to a 401(k), IRA or other similar plan into this Plan?
Yes. This Plan will accept roll-overs and direct transfers from other qualifying plans. Each person should evaluate the details before electing to take this action.

Q11. Can I continue contributing to the plan once I have left employment?
No. However, if you return to state employment you may resume deferrals.

Q12. Can I transfer funds between various options in the plan prior to withdrawing benefits at a later date?
Yes, you may continue to manage the investments in your account after you have left State service, both before and during the commencement of distributions.

Q13. Will I continue to get statements updating the status of my account?
Yes.

Q14. When I begin to get payments from the Plan, will taxes be withheld for me?
Yes. A statement will be mailed quarterly to the most current address on file with Prudential Retirement. You can also download a statement from the plan website at any time. The plan website address is: http://www.prudential.com/islandsavings.

Q15. Can my payments be direct deposited to the financial institution of my choice?
Yes.

Q16. What withdrawal options are available?
1. Lump sum or partial lump sum;
2. Systematic monthly, quarterly, semi-annual, or annual payments (e.g., $100 per month);
3. Duration installment payment (e.g., $1,000 per year for the next 10 years); and
4. Direct Rollovers.
Q17: Who do I call if I need help or have questions on the Deferred Compensation/Island Savings Plan?
Call the Island Savings Plan Customer Service Line at 1-888-71A-LOHA (1-888-712-5642), press option “1” for the Call Center or press option “2” for the Local Office.

NOTE: This is a brief summary. It is not a legal document or contract, and is subject to change.