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**ISLAND SAVINGS PLAN TEMPORARY HAZARD PAY (THP) DEFERRAL
FREQUENTLY ASKED QUESTIONS**

Note: While it is difficult to anticipate every question that could be raised, the following questions and answers are intended to briefly address the more commonly asked questions related to the deferral of the THP Settlement payment to the Island Savings Plan and is provided for informational guidance only. The applicable negotiated agreements shall take precedence over any conflicting information.

GENERAL

- I'm qualified to receive the THP Settlement payment. Can I elect to defer all or a portion of my THP Settlement payment to the Island Savings Plan?

Yes, provided that:

1. You are eligible to enroll in the Island Savings Plan (i.e., must be ERS-eligible).
2. Have an existing Island Savings Plan account.
3. Register your account for on-line access at empower.com/islandsavings.
4. Make a THP Settlement payment election by the established deadline.

- I'm not enrolled in the Island Savings Plan, how do I enroll in the Plan?

To enroll in the Plan, you must:

- Complete an [Enrollment Form](#) and submit it to Empower:

Via Mail:	Via Fax:
Empower 1100 Alakea Street, Suite 1550 Honolulu, HI 96813	Empower at 808-536-0572

OR

- Contact a local Retirement Plan Advisor and complete an E-Z Enrollment Form.

If you need assistance enrolling in the Plan, contact a local Retirement Plan Advisor in the Honolulu office at 888-71A-LOHA (888-712-5642) and select option 2.

➤ **I already have an Island Savings Plan account. How do I make a THP election into my Plan?**

Please refer to the Step By Step Guide which includes instructions on how to make an election online via your I\$P account.

You may also make your THP election by calling the Empower Service Center at **888-71A-LOHA (888-712-5642)** and selecting option 1. Customer Care Representatives are available weekdays from 2:00 a.m. to 4:00 p.m. and Saturdays from 3:00 a.m. to 11:30 a.m. Hawai'i Standard Time. If you select option 2 to speak with a Retirement Plan Advisor (RPA) in the local office, they can answer questions regarding THP elections, however, **RPAs In The Local Office Cannot Process Your THP Contribution Election For You.**

THP elections **must** be made online or through the Empower Service Center.

➤ **When will the THP Settlement payment be made?**

The THP Settlement payment will be processed in accordance with the settlement agreement between the employer and the respective union (i.e., HGEA).

As required by the HGEA THP Settlement agreement, the THP payment will be processed in March 2025, to be more specific on March 20, 2025.

➤ **I retired from the State and returned as an 89-day hire and I'm eligible to receive the THP Settlement payment. Can I defer my THP Settlement payment to the Island Savings Plan?**

No. As an 89-day hire you are not eligible to contribute to the Plan, therefore, are not eligible to defer your THP Settlement payment into your Island Savings Plan account.

DEADLINES

➤ **Are there any deadlines that I need to be aware of?**

Yes, the deadlines are as follows:

- To enroll in the Island Savings Plan: **Monday, January 13, 2025**
Note: You must have an established Island Savings Plan account before you can make an election to defer your THP Settlement pay.
- To make a THP election into your Island Savings Plan: **Friday, February 21, 2025**

CONTRIBUTIONS TO THE PLAN

- **Can I elect to have a percentage of my THP Settlement payment be contributed to the Plan?**

No. Your THP Settlement payment election must be a flat dollar amount.

- **Can I make both a Pre-tax and a Roth THP election?**

Yes. You have the option to make your THP election as fully Pre-tax, fully Roth (after tax), or split the election to do both. Please refer to the Step By Step Guide for instructions on how to do so.

- **How do I know if my THP election was submitted properly?**

Your THP election was submitted properly if you receive a Confirmation Number after confirming your THP election online. **IF YOU DO NOT RECEIVE A CONFIRMATION, YOUR THP ELECTION DID NOT GO THROUGH.** If you make your THP election by calling the Empower Service Center, make sure the Customer Care Representative provides you with a Confirmation Number. Please retain your Confirmation Number for your records.

- **After I've made my THP election, can I make changes to it if I change my mind?**

Yes. If you change your mind about wanting to make a THP election or on the amount you elected, you can change your THP election. Any changes to your election need to be made by the THP election deadline. Empower will honor your latest election. Please refer to the Step By Step Guide for instructions on how to change your election. Remember to retain your Confirmation Number after you've changed your election.

OTHER DEDUCTIONS

- **Will deductions be taken from the THP Settlement payment prior to my Island Savings Plan deferral?**

Yes, it is possible that deductions will be taken from your THP Settlement payment prior to the Island Savings Plan deferral. The deduction priority for the THP Settlement payment is as follows:

- ERS – Hybrid Tier 1 (employees hired prior to 7/1/2012)
- Union Dues – if applicable
- 403(b) Tax Sheltered Annuities – if applicable (for those in educational institutions)
- Deferred Compensation Plan (Island Savings Plan)

In addition, applicable payroll taxes (Federal and State withholding taxes, Social Security, and Medicare) will be deducted as appropriate.

➤ **What taxes are applied to my Island Savings Plan contributions?**

Pre-tax and Roth (after-tax) Island Savings Plan contributions are both subject to the Federal Insurance Contributions Act, or FICA, which is a payroll tax that helps fund Social Security and Medicare. It is listed on your paystub as FedOASDI/EE (Social Security) and Fed MED/EE (Medicare).

Deductions taken at the time of deferral	Pre-tax Contributions	Roth Contributions (After-tax)
Social Security tax	Yes	Yes
Medicare	Yes	Yes
Federal Withholding tax	No	Yes
State Withholding tax	No	Yes

➤ **If I elect to have, for example, \$5,000 of my THP Settlement payment to be deferred to my Island Savings Plan account, will the entire amount I elected (\$5,000) be credited to my account?**

No. Although you make an election of \$5,000, the amount that is deferred could be different depending on what deductions are applied to your THP Settlement payment first. The Plan does not control what deductions will be applied, therefore, although you elected to defer \$5,000, only the remaining balance after deductions are applied will be deposited into your Island Savings Plan account.