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Plan Account Security Changes

The Island Savings Plan and ING continuously look for ways to help guard your online identity and prevent someone else from accessing your online account information.

Currently, you are able to access your accounts to view balances and perform transactions through a customer services representative, an Interactive Voice Response system (IVR), or through the Plan website. Each of these methods requires you to provide confidential information, such as Social Security numbers, usernames, and passwords, for example, to gain access to personal Plan information. The purpose is to help reduce the risk of inappropriate access to your Plan information.

So beginning January 26, 2012, a new security enhancement requires you to establish five security questions for your account. When you review your account's Mail Delivery Preferences, you can choose whether to have account statements and other correspondence delivered by mail or electronically to your account mailbox. You also have the option to provide your e-mail address and mobile phone number to reflect your information delivery preferences.

In the future, if you forget your password, you will be asked a set of security questions that, if answered correctly, will allow you to access your account.

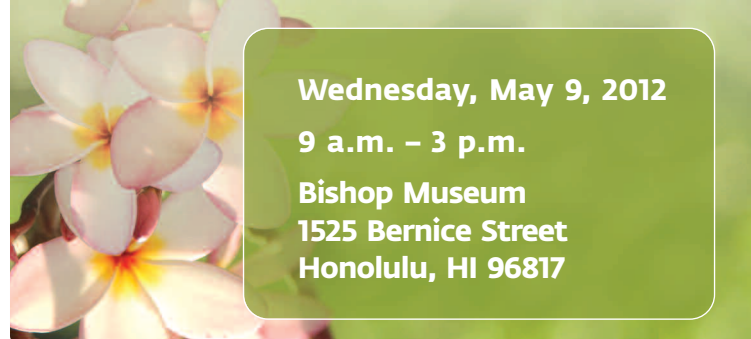
To save time during future logins, you can register the computer you use most often to access your account. If you log in from a different computer, you will be prompted to input your username and password and answer three of your five security questions. Then you can select the checkbox to register that computer so you will not be prompted to answer the security questions for future logins. ●



Get Ready for an Employees' Benefits Fair Coming in May

Honolulu will be the host site for the next Employees' Benefits Fair. The Fair is a convenient "one-stop shop" way to stay informed about the Island Savings Plan and the other employee benefits programs available to you.

Come and learn about the Plan's features and benefits. Talk with Plan consultants and various representatives from the Plan's investment options about your investment options. Gather valuable information from representatives from the State ERS, health benefit providers, and other employment benefits plans. ●



Wednesday, May 9, 2012

9 a.m. – 3 p.m.

**Bishop Museum
1525 Bernice Street
Honolulu, HI 96817**

Fund Updates

The Board of Trustees is in the process of contracting with two new investment fund managers for two new emerging markets investment options, and with one new investment fund manager for a new diversified inflation hedge investment option. The Board anticipates implementing the new investment options this summer.

The Bernstein International Value Collective Trust will be replaced with a new international value fund manager in the coming months due to its continued underperformance against its long-term benchmark. Watch for more information soon.

Stable Value Fund: Effective April 1, 2012, the second quarter 2012 rate is **3.61%**.

On the watch list: Century Small/Mid Cap Growth Fund and Harbor Small Cap Value Fund.

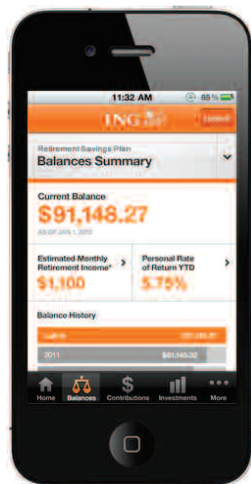
Access Your Plan Account on Your Mobile Device

A new mobile account application is available for owners of iPhone®, iPod touch®, and Android™ devices. The ING Retirement Plan Account mobile application can be downloaded onto your mobile device so you can quickly check your balance and much more. Here are some of the account details you'll be able to view on the go:

- Current balances
- Balance history
- Balances by asset class and fund
- Personal rate of return
- Fund performance

To help you manage your account, the mobile application also allows you to:

- Change your contributions
- Transfer money among funds
- Reallocate your account balance
- Change how future contributions will be invested



You must sign in to your online account at least once before you access ING's new mobile app. Use your smartphone to download the app directly from the App StoreSM or through the Android Market (keywords: **ING Retire**). For more information, visit mobile.ingplans.com. ●

iPhone, iPod touch are trademarks of Apple Inc., registered in the U.S. and other countries. App Store is a service mark of Apple Inc. Android is a trademark of Google Inc.

A Tax Credit on 2012 Plan Contributions

The Saver's Credit is a valuable tax credit available to low- and moderate-income taxpayers who save for retirement.

If you qualify, you may be eligible to claim a tax credit on your 2012 federal tax return for up to half of the first \$2,000 you save in the Plan this year if your adjusted gross income does not exceed these limits. Contact your tax adviser for more information. ●

Single, married filing separately, or qualifying widow(er)	\$28,750
Head of household	\$43,125
Married filing jointly	\$57,500

Your Satisfaction Is Important to Us!

The Board of Trustees and ING continually strive to improve the State's Deferred Compensation Plan. Our mutual goal is to ensure your satisfaction with all elements of the program.

To better understand how to best serve you and assure confidentiality of your responses, SMS Research, a Honolulu-based research company, has been retained to undertake a satisfaction survey with a random sample of our members. As stated, a random number of you will receive a phone call from SMS asking your opinion of our programs, our services, and your needs. This survey is totally confidential, none of your individual responses will be reported, only an aggregate of all responses will be reported by SMS Research.

Please help ensure our continued improvement in services by participating in this important survey. Your satisfaction is important. ●

Daylight Saving Time Reminder

Daylight Saving Time (DST) began Sunday, March 11, 2012. Plan Participants have until 10:00 a.m. HST to complete online and telephone transactions that will go into effect the same business day. Transactions completed after 10:00 a.m. HST will be effective the next business day. ●

LOCAL OFFICE

1003 Bishop Street
Pauahi Tower, Suite 1160
Honolulu, Hawaii 96813

OFFICE HOURS

8 a.m. to 5 p.m. (HST)
Monday – Friday

FREE PARKING

Validate your parking ticket at the Local Office
Bishop Square Parking Garage (entrance on Alakea Street)

INFORMATION LINE

1-888-71-ALOHA (1-888-712-5642)

6 a.m. to 5 p.m. (HST)
Monday – Friday

6 a.m. to 12 p.m. (HST)
Saturday

PLAN'S WEBSITE

<https://islandsavings.ingplans.com>

STATE WEBSITE

<http://hawaii.gov/hrd>

THOMAS KALILI

Big Island

KAPENA KIM

Oahu/Maui

PETER EDDY

Oahu/Kauai/Maui

ALBERT LEE

Oahu/Molokai

MELODY TAKACS

Plan Manager



1-888-71-ALOHA Plan's Information Line
<https://islandsavings.ingplans.com> Plan's website

This newsletter is not intended to provide legal, tax, or investment advice. For such advice, participants should contact their legal, tax, or investment advisers.



quarterly calendar

Transactions made on these dates when the New York Stock Exchange is closed will be processed the following business day.

- Monday, May 28, 2012
- Wednesday, July 4, 2012