



# news

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## Higher Contribution Limits in 2012

Maximum Annual Contribution	\$17,000
Total including Age 50+ Catch-Up	\$22,500
Total including Special Three-Year Catch-Up	Up to \$34,000

If you are at least age 50 in 2012, you are allowed to contribute an extra \$5,500 with the Age 50+ Catch-Up, for a total of up to \$22,500. And if you are within three years before the year in which you are eligible to retire with full benefits from the Employees' Retirement System, you may be eligible to contribute up to \$34,000 with the Special Three-Year Catch-Up. Remember, if you are eligible for both catch-ups, the IRS rules provide that you cannot use both options in the same year. ●

### Need Assistance?

You can get help with calculating the amount of your catch-up contributions from a Plan Consultant at the local Honolulu office. Call **(888) 71-ALOHA** (712-5642) and press option 2, Monday – Friday, 8 a.m. to 5 p.m. (HST).

## Security Changes to Plan's Website

The Board of Trustees is reviewing a proposal by ING to add security changes to the Plan's website that would further protect participants' Plan accounts. The security enhancement would require participants to establish up to five security questions and answer three before accessing their accounts. Participants could register the computers used most often to avoid the security questions in future login attempts. Additional details will be featured in upcoming newsletters and on the Plan's website. ●

## It's the New Year: Time to Review Your Account's Beneficiary Election

When ING became the Plan's TPA in 2003, participants were asked to complete a new beneficiary designation form to ensure that the information was current. ING still shows a number of participants who have yet to complete a new beneficiary designation form.

In the event of your death, you want to be certain that your Plan benefits are paid to the person or individuals you intended. Relationships, laws, and your health can change. If your beneficiary designation no longer reflects your current wishes, it may be time for an update. If a beneficiary has not been designated, your estate becomes the beneficiary.

So make sure to update your beneficiary information periodically, especially when there is a change in circumstances in your life and you want someone else to receive your Plan assets upon your death.

You can name or change the beneficiary designation for your Plan account online or by telephone. Go to <https://islandsavings.ingplans.com>, log into your account, and select *Personal Information*. Or call **(888) 71-ALOHA**. ●

## Important Fund Updates

The six "pre-mixed" investment options offered through the Plan are now known as "Lifecycle Portfolios" instead of "Lifecycle Funds." This name change represents a more accurate description of these broadly diversified portfolios of pre-mixed investments.

### New Investment Options

In the first quarter 2012, the Plan intends to add three new investment options to expand the choices for participants and to further diversify the Lifecycle Portfolios. There will be two new Emerging Markets Equity Investment Options and one new Diversified Inflation Hedge Investment Option. These new options are generally described as follows:

- **Emerging markets** exist in countries that have vibrant, active economies, but are less developed relative to the mature economies of the United States and Europe, offering great growth potential.
- **Inflation-protection** asset classes offer an investing strategy to help counter the eroding effect of inflation.

Also, the Board of Trustees is currently searching for a new International Value Fund which may replace the Bernstein International Value Collective Trust that has been on the watch list due to the Fund's long-term underperformance in comparison to its benchmark. Watch for more information on the new fund soon.

**Stable Value Fund:** Effective January 1, 2012, the first quarter 2012 rate is **3.68%**.

**On the watch list:** Century Small/Mid Cap Growth Fund, Bernstein International Value Collective Trust, and Harbor Small Cap Value Fund. ●

# Get Fit in the New Year and Keep Your Account in Shape

The Island Savings Plan offers many valuable features and benefits to help you plan and invest toward your retirement future. So if your New Year's resolution is to become fiscally fit and keep your Plan account in good shape, consider taking advantage of these choices available under the Plan.

## Four ways to invest toward your goals

- 1. Mix your own.** Make your selection from the Plan's 14 core investment options that range in varying levels of risk and represent different asset classes.
- 2. Lifecycle Portfolios.** These pre-mixed portfolios are built from the Plan's core investment options. You simply select a fund based on its target date or a date when you plan to withdraw money for retirement purposes.
- 3. Investment advice.** Not sure you're making the right investment decisions? Get help from ING Investment Advisors, LLC, in partnership with Financial Engines®. You can get personalized, objective retirement planning and investment advice at no additional cost whenever you log into your Plan account and click on the **ING Advisor Service** link. Or, for a fee, you can have your account managed for you through the **Professional Account Manager** program. Over 1,800 Plan participants currently take advantage of this program, including 256 participants who signed up during the communications campaign in the fall of 2011. For information, call **(888) 71-ALOHA** and ask to speak with an ING Advisor.
- 4. Self-Directed Brokerage Account (SDBA).** This program is for participants who are experienced investors and want the freedom to invest a portion of their savings across a wider array of choices, including open-end mutual funds, fixed income securities, ETFs, and publicly traded stocks. For details, go to <https://islandsavings.ingplans.com>.

Fund details about each fund's objective and expenses are in fund fact sheets available on the Plan's website or by calling the Plan's Information Line. You should carefully read and review all investment information prior to making any investment decisions.

## Guaranteed income for life

**Annuity Product Service from Income Solutions®.** As a retiring Plan participant, you can use all or part of your Plan account to purchase an immediate fixed annuity that is guaranteed to provide you or your beneficiaries a predictable stream of income for life. Income Solutions® has a competitive quote process to compare pricing, and the quotes are free. Guarantees are based on the claims-paying ability of the issuing insurance company. For information and quotes, go to <https://islandsavings.ingplans.com> or call **(888) 71-ALOHA**.

## Online tools and services

New enhancements are coming to the Plan's website at <https://islandsavings.ingplans.com> in 2012 to make it even more convenient for you to manage your account and investments. Online calculators and educational audio and video clips on investing and retirement planning are available through the **Resource Center** link. A series of articles called "Worth Knowing," designed to help you plan for retirement, has been posted recently on the login page of the Plan's website. ●

*Advisory Services provided by ING Investment Advisors, LLC. ING Investment Advisors does not give tax or legal advice. If you need tax advice, consult your accountant or if you need legal advice, consult your lawyer. For more information, please read the ING Investment Advisors Disclosure Statement. A Disclosure Statement may be viewed online by accessing the ING Advisor Service link through <https://islandsavings.ingplans.com>. You may also request the Disclosure Statement from an ING Investment Advisor by calling (888) 71-ALOHA. Financial Engines is a registered trademark of Financial Engines, Inc.*

### 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>

### KAPENA KIM

Oahu/Honolulu

### PETER EDDY

Oahu/Kauai/Big Island

### ALBERT LEE

Honolulu/Molokai

### MELODY TAKACS, PLAN MANAGER

Honolulu/Maui/Big Island/Lanai



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, February 20, 2012
- Friday, April 6, 2012