



Employees' Benefits Fairs Held on the Big Island Attract Many Attendees

Approximately 300 people attended the Employees' Benefits Fair held October 25, 2017 at the Grand Nanihoa Hotel in Hilo, and over 100 people attended the fair held October 27, 2017 at the Sheraton Kona at Keauhou.

Employees took the opportunity to meet with several members of the Island Savings Plan's ("the Plan") Board of Trustees and to talk with representatives from the Plan and the Plan's investment fund companies. Also on hand to provide information on employment benefits and answer questions were representatives from the Hawaii Employees' Retirement

System, the Hawaii Employer-Union Trust Fund (EUTF), health plan carriers, the Island Flex Flexible Spending Accounts Plan for state employees and the HI529 College Savings Program.

Attendees participated in the Aging Booth Experiment where they had their photos taken—which were aged right before their eyes. This fun and interactive exercise created a lot of discussion about connecting with your future self and the importance of being prepared for the future. All of the workshops were well attended, and employees found the materials to be very informative.



Participants took the time to see their "future self" at the fair by using the Aging Booth Experiment to show how they might look in 30-plus years.

Fund Updates

The **JPMorgan Diversified Real Return Fund-R5*** ("the JPMDRR Fund") was removed on December 1, 2017 due to the unanticipated announcement by JPMorgan Funds that the JPMDRR Fund will be closing because of restructuring efforts. The Board will be conducting an additional investment product search for a fund in the same asset class. In the interim, the State Street Real Asset Non Lending CIT Class C Fund was added to the Plan's core menu investment lineup, and as an allocation within the custom LifeCycle funds to replace the JPMDRR Fund allocation.

Important update on the custom Lifecycle funds: At its meeting on September 20, 2017, the Board voted to initiate a search process for a target-date fund investment option to replace the custom LifeCycle funds. Stay tuned for more updates on the search process.

The replacement of the **Victory Institutional Diversified Stock Fund*** continues to be in progress. Further updates will be provided in the next Plan newsletter for the First Quarter 2018, so stay tuned.

Stable Value Fund

Effective January 1, 2018, the First Quarter 2018 rate is 2.84%.

*Registered mutual fund.

What Will Your Retirement Selfie Look Like?

Selfies. They're a great way to take a picture of yourself today. But did you ever stop to think what your selfie might look like in retirement? For example, do you see yourself traveling? Taking care of grandchildren? Volunteering at a local charity?

How Do You Want to Live?

Only you can decide. By visualizing the lifestyle and location you want once you've called it a career, you can estimate what it could cost to live that way—and how much you think you'll need to save to get there.

To learn if you're saving enough for retirement, and what you can do if you're not, you may want to try the Retirement Income Calculator (RIC) by logging in to your account at prudential.com/islandsavings. The RIC will estimate how much you'll likely need based on:

- Your monthly ERS benefit
- An estimate of your future Social Security benefit
- Your current Island Savings Plan balance

Still not sure? Many financial professionals tell their clients they may need to replace at least 80% of their final year's salary, *every year* in retirement.



In Preparation for 2018!

New Contribution Limits

It's been two years since the IRS increased the contribution limits for retirement savings, but it's finally here! NEW in 2018, IRS limits will increase by \$500, making the maximum contribution \$18,500, or \$24,500 if you're age 50 and older.

As a participant in the Island Savings Plan, you may contribute up to 99%* of your monthly compensation (minimum \$10 per pay period) towards the IRS limit.

*Note: Only employees of the State of Hawaii and County of Hawaii divisions can elect a contribution percentage. Employees of the County of Kauai, County of Maui, County of Hawaii Water District and Waialae Elementary Public Charter School must choose a dollar amount to contribute.

Regular, Age 50+ and Special Catch-up Contributions		
Plan Contribution Limit	2017	2018
If you're younger than age 50	\$18,000	\$18,500
If you're age 50 and older (includes catch-up contribution amount of \$6,000)	\$24,000	\$24,500
Special 457(b) Catch-up (during the three years prior to retirement)	\$36,000	\$37,000

What is the Saver's Credit?

The Saver's Credit is a highly advantageous tax credit that the IRS offers to incentivize low- and moderate-income taxpayers to make retirement contributions to an IRS-recognized retirement account. You may be eligible to claim a tax credit on your 2017 federal tax return for up to half of the first \$2,000 you saved in the Plan if your adjusted gross income does not exceed certain limits. The Adjusted Gross Income (AGI) limit for the saver's credit is \$31,000 for single filers and married individuals filing separately; \$46,500 for heads of household; and \$62,000 for married couples filing jointly.

Contact your tax advisor for more information.

Don't Let Instant Gratification Today Cost You Tomorrow

Think about your finances in 2018; it's important to keep something called instant gratification in mind—and how it can affect your future. We're all human: Sometimes we want things when we want them, which is RIGHT NOW!

Experts say the idea of waiting for anything is painful for us. But did you know that the pain of saving money today may be offset by the pleasure of having even more money tomorrow? That's because today's purchases may be instantly gratifying, but they could cost a lot more than you think.

Think about all the things you spend money on right now. The “discretionary” expenses: that morning cup of coffee on your way to work, for example. Could you make it yourself for less? Consider the number of times you buy that coffee each month, and you may be surprised at how much you're spending. And those two to three dinners out a week? Maybe you could cook extra on a weekend and freeze leftovers for an easy meal the following week? It's not only cheaper to cook at home, but it can be healthier, too!

The bottom line is this: Temptation is everywhere—but it's not everything. If you can be prudent in your spending today, you'll have the potential to enjoy much greater rewards tomorrow. The good news is that even small increases to your Island Savings Plan contributions could make a big difference to your financial future.

Visit prudential.com/islandsavings to log in to your account and increase your contribution level today! Or if you need help evaluating your personal situation, you may contact a local Hawaii-based Island Savings Plan Retirement Education Counselor for a telephone or one-on-one appointment by calling **888-712-5642** and selecting option “2.”



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Island Savings Plan Line:
888-71-ALOHA
(888-712-5642)

Automated toll-free phone number is available 24/7.

- **Select "1" to speak to a Participant Service Representative**
Monday through Friday, 2:00 a.m. to 3:00 p.m. HST (Daylight Savings), or 3:00 a.m. to 4:00 p.m. HST (Daylight Savings ends).
- **Select "2" to contact a local Island Savings Plan Retirement Education Counselor**
Monday through Friday, 8:00 a.m. to 5:00 p.m., HST and Saturday, 8:00 a.m. to 12:00 p.m. HST.
- **Website: prudential.com/islandsavings**



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Investors should consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus, and if available the summary prospectus, contain complete information about the investment options available through your plan. Please call 888-712-5642 for a free prospectus and, if available, a summary prospectus that contain this and other information about our mutual funds. You should read the prospectus and the summary prospectus, if available, carefully before investing. You can lose money by investing in securities.

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0311045-00001-00

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02/2018