



PLAN HIGHLIGHTS

THE ISLAND SAVINGS PLAN HELPS YOU PREPARE FOR THE KIND OF FUTURE YOU WANT.

The State of Hawaii Deferred Compensation Plan (also known as the Island Savings Plan) is a powerful way to save for your retirement and a valuable benefit available to the State and neighbor island county employees. No matter how you plan on spending your retirement, you'll need to have the financial resources to enjoy it on your terms. You have a long life to live-and enjoy. Learn about how the Island Savings Plan and its great features can help you on the road to a happy and long retirement. For more information, please visit prudential.com/islandsavings.

Am I eligible? How do I enroll?

You are immediately eligible to join the Island Savings Plan if you are an employee of the State of Hawaii, County of Hawaii, County of Kauai, County of Maui, Waialae Elementary Public Charter School, Department of Education or University of Hawaii, and are a member of the Employees' Retirement System (ERS).

To enroll, you may:

Complete an enrollment and beneficiary form indicating the amount you wish to contribute, your investment option selection(s) and your beneficiary designation. This form is located in the "Forms" section at: prudential.com/islandsavings.

- Call the Island Savings Plan toll-free Information Line at **888-71-ALOHA** (888-712-5642). To speak with an Island Savings Plan Retirement Education Counselor at the local Prudential Retirement® office in Honolulu, please select option 2.

How may I contribute?

The Island Savings Plan offers you the opportunity to save on a pre-tax basis. You may increase or decrease your contributions at any time. These are some of the Plan's provisions:

- For 2019, the IRS maximum annual contribution is \$19,000.
- For 2019, those who will be age 50 and older by December 31 may make an additional contribution of \$6,000.
- The 3-Year Catch-Up provision allows you to contribute more than the normal maximum annual deferral amount to the Plan—to "catch up" for earlier years when you did not contribute the maximum amounts allowed.
- Rollovers from another employer's eligible plan or pre-tax Individual Retirement Account (IRA) are accepted into the Plan at any time.

In-service withdrawals

Four types of in-service withdrawals are available to you while you're an active employee:

- Distribution of rollover money
- Age 70½ withdrawals
- De Minimis withdrawal
- Unforeseeable emergency withdrawal

To find out how much of your account is available for withdrawal, call the Plan's Information Line at **888-71-ALOHA** (888-712-5642).

Your Plan investments

The Island Savings Plan offers two ways for you to choose your investments—you may "do it yourself" or "do it with help." You may invest in any of the Plan's 16 Core Investment Options

or Vanguard Institutional Target Retirement Funds ("Vanguard Funds") yourself.

The Core Investment Options range from the conservative Stable Value Fund to the more aggressive global/international funds. They are listed along with the current investment Fund Fact Sheets, available by visiting the "Investments" section at: prudential.com/islandsavings.

Vanguard Institutional Target Retirement Funds-NEW

The Vanguard Funds investment strategy is a diversified solution that is built using four (4) or five (5) of Vanguard's broad-based index funds, which cover all major worldwide asset classes. Twelve (12) new funds are offered in five-year increments at a low cost of 9 basis points (0.09%). In choosing an age-appropriate target retirement fund, consider selecting a fund that corresponds to your year of birth (see, chart). You may choose the fund with an underlying portfolio that best fits your years to retirement and investment goal, and which targets your anticipated retirement date. In addition to age and intended retirement date, participants should carefully consider the investment objectives, risks, charges and expenses of any fund before investing.

Birth Year Range Investment

Earlier than 1950	Vanguard Institutional Target Retirement Income Fund*
1950–1954	Vanguard Institutional Target Retirement 2015 Fund*
1955–1959	Vanguard Institutional Target Retirement 2020 Fund*
1960–1964	Vanguard Institutional Target Retirement 2025 Fund*
1965–1969	Vanguard Institutional Target Retirement 2030 Fund*
1970–1974	Vanguard Institutional Target Retirement 2035 Fund*
1975–1979	Vanguard Institutional Target Retirement 2040 Fund*
1980–1984	Vanguard Institutional Target Retirement 2045 Fund*
1985–1989	Vanguard Institutional Target Retirement 2050 Fund*
1990–1994	Vanguard Institutional Target Retirement 2055 Fund*
1995–1999	Vanguard Institutional Target Retirement 2060 Fund*
2000–2019	Vanguard Institutional Target Retirement 2065 Fund*

*Registered mutual funds.

Vanguard Institutional Target Retirement Funds offer a professionally managed mix of target-date funds. The target date is the approximate date withdrawals are intended to begin (typically, this is your anticipated retirement date). As that date approaches, the funds are automatically rebalanced and become more conservative closer to retirement by lessening equity exposure and increasing exposure in fixed income-type investments. Please note that principal value is never guaranteed, including at the target date, and there is no guarantee that the fund will provide adequate retirement income. The stated asset allocation is subject to change.

The listing of Vanguard Funds, along with the current investment Fund Fact Sheets, may be found by visiting the “Investments” section at: [prudential.com/islandsavings](https://www.prudential.com/islandsavings).

GoalMaker

As mentioned above, you may also invest in the Plan’s Core Investment Options using GoalMaker®, an optional asset allocation program offered through the Island Savings Plan at no additional cost. It uses two simple pieces of information to help guide you to a professionally allocated portfolio using the Plan’s core funds:

1. Your comfort with market risk, which is your investor style.
(Everyone is different, but investors generally fall into one of three categories: conservative, moderate or aggressive.)
2. Your number of years until retirement.

Using the investment options offered through the Plan, GoalMaker offers 12 portfolios—one of which could fit your investment style. Your portfolio will automatically rebalance on a quarterly basis to keep your investments on track.

And, if you choose GoalMaker’s optional Age Adjustment feature, your investment portfolio will automatically become more conservative as you get closer to your retirement. Keep in mind that application of asset allocation and diversification concepts does not assure a profit or protect against loss in a declining market. **You can lose money by investing in securities.**

For more information, or to enroll in GoalMaker, visit [prudential.com/islandsavings](https://www.prudential.com/islandsavings) or call **888-71-ALOHA** (888-712-5642).

Self-Directed Brokerage

The Self-Directed Brokerage Account (SDBA) is an optional program that allows you to go through a brokerage window and invest in individual stocks and bonds and/or an expanded selection of mutual funds through your Plan account. Trading individual securities add a potentially higher level of risk to your account, so you should consider this option carefully. Also, a minimum account balance is required for brokerage accounts—and additional fees apply. For more information about the SDBA, visit the “Investments” section at: [prudential.com/islandsavings](https://www.prudential.com/islandsavings).

Fees

There are general Plan administrative and recordkeeping fees that the participant pays. This fee amount is 11.0 basis points, which is 0.11% of your account balance, and paid to Prudential Retirement. This annualized fee is deducted from your account on a quarterly basis.

Each investment option charges an investment management fee, which is deducted from the investment option’s return. Please see the “Performance” section of your account for fees of each investment option, or you may call the Plan’s toll-free Information Line at **888-71-ALOHA** (888-712-5642).

Distributions

When your employment ends, you have the following options for the money in your account:

- Leave your money in the Plan.
- Take a partial or full distribution or systematic withdrawal.*
- Roll over your account balance to another eligible retirement plan.*
- Invest in an annuity.

The personalized assistance you need

Island Savings Plan Retirement Education Counselors are available to provide you with free personalized service through group meetings and one-on-one consultations.

To schedule a one-on-one consultation, visit [prudential.com/islandsavings](https://www.prudential.com/islandsavings) and click on the “Counselors” section followed by the blue “Schedule a Meeting” link, or call **888-71-ALOHA** (888-712-5642) and select option 2.

Island Savings Plan Retirement Education Counselors are available weekdays from 8 a.m. to 5 p.m. HST, and on Saturdays from 8 a.m. to 12 p.m. HST.

*For lump-sum distributions, you can elect to have your distribution rolled over to a qualified plan, 403(b) plan, 457 plan or IRA (if those plans accept rollover money from other plans). If you elect a direct rollover, you will not owe federal income taxes on your distribution in the year it is paid. If you do not elect a direct rollover, 20% of your distribution will be withheld for federal income taxes. Prior to rolling money over, you may want to confirm with the plan receiving the money of any changes that may affect the distribution options of the rolled-in money.



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 877-PRU-2100 (877-778-2100) 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 when investing in securities.

Shares of the registered mutual funds and brokerage services are offered by Prudential Investment Management Services LLC (PIMS), Newark, NJ. PIMS is a Prudential Financial company.

This material is intended to provide information only. This material is not intended as advice or recommendation about investing or managing your retirement savings. By sharing this information, Prudential Retirement is not acting as your fiduciary as defined by the Department of Labor or otherwise. If you need investment advice, please consult with a qualified professional.

Self-Directed Brokerage products and services are offered through Prudential Investment Management Services LLC (PIMS), Newark, NJ, a Prudential Financial company. Self-Directed Brokerage Accounts are carried and maintained by National Financial Services LLC pursuant to a clearing agreement with PIMS. Retirement Education Counselors are registered representatives of PIMS.

The target-date is the approximate date when investors plan to retire and may begin withdrawing their money. The asset allocation of the target-date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income investments. The principal value of an investment in a target-date fund is not guaranteed at any time, including the target-date. There is no guarantee that the fund will provide adequate retirement income.

A target-date fund should not be selected solely based on age or retirement date. Before investing, participants should carefully consider the fund's investment objectives, risks, charges and expenses, as well as their age, anticipated retirement date, risk tolerance, other investments owned, and planned withdrawals.

The stated asset allocation may be subject to change. It is possible to lose money in a target-date fund, including losses near and following retirement. Investments in the funds are not deposits or obligations of any bank and are not insured or guaranteed by any governmental agency or instrumentality. Shares of the registered mutual funds are offered through Prudential Investment Management Services LLC (PIMS), Newark, NJ, a Prudential Financial company. Prudential Retirement is a Prudential Financial business.

Retirement Education Counselors are registered representatives of Prudential Investment Management Services LLC (PIMS).

The Stable Value Fund is invested approximately 50% in a guaranteed interest contract with the Prudential Insurance Company of America (PICA), Newark, NJ 07102, and 50% with Invesco Institutional. The Prudential Financial assets are managed by the Fixed Income Group at Jennison Associates, LLC, a Prudential Financial company. Any guarantees associated with the PICA portion are subject to the claims-paying ability of PICA. The Invesco assets are backed by a diversified portfolio of bonds that are held in trust for the fund and managed by Invesco, PIMCO, BlackRock and Jennison. The Stable Value assets are not FDIC-insured, may lose value and are not bank-guaranteed. PICA Contract form #GA-8215.

Prudential Financial and its representatives are not tax or legal advisors. Consult your own legal or tax advisor with specific questions.

Amounts withdrawn are subject to income taxes and plan restrictions. Neither Prudential Financial nor any of its affiliates provide tax or legal advice—for which you should consult with your qualified professional.

GoalMaker's model allocations are based on generally accepted financial theories that take into account the historic returns of different asset classes. But of course, past performance of any investment does not guarantee future results. Participants should consider their other assets, income and investments (e.g. equity in a home, Social Security benefits, individual retirement plan investments, etc.), in addition to their interest in the Plan, to the extent those items are not taken into account in the model. Participants should also periodically reassess their GoalMaker investments to make sure their model portfolio continues to correspond to their changing attitudes and retirement time horizon.

Prudential Retirement's group variable annuity contracts are issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT. PRIAC is a Prudential Financial company.

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