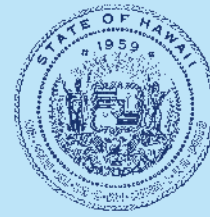


COMPARISON OF A 403(b) PLAN AND THE ISLAND SAVINGS PLAN



	403 (b) PLAN	ISLAND SAVINGS PLAN
ELIGIBILITY	Part-time and full-time higher education employees, upon date of hire or anytime thereafter.	Employees of the State of Hawaii (including the Department of Education and University of Hawaii), County of Hawaii, County of Kauai, or County of Maui who are members of the Employees' Retirement System (ERS).
MAXIMUM ANNUAL DEFERRAL FOR 2012	100% of 403(b) eligible compensation or \$17,000* per year, whichever is less.	100% of 457 eligible compensation or \$17,000* per year, whichever is less.
TAX SAVERS CREDIT	Eligible participants will receive a non-refundable tax credit of up to 50% on an annual contribution of \$2,000 in elective deferrals, in addition to the tax deferral. This generally applies to joint filers with an adjustable gross income (AGI) of up to \$57,500 and single filers with an AGI of \$28,750. To submit, complete federal Form 1040.	
AGE 50 AND OVER CATCH-UP PROVISION	If you are age 50 or older, you may contribute an additional \$5,500* in 2012. You may not use this provision in a 457 Plan while using the 457 Three-Year Catch-Up Provision.	
THREE-YEAR 457 CATCH-UP PROVISION Cannot be used with the Age 50 and Over Catch-Up in the 457 Plan.	Contact your 403(b) administrator to see what they allow.	If you have unused deferrals, the 457 catch-up limit (\$34,000* in 2012) is subject to eligibility. You may participate only in the three years before the taxable year in which you attain normal retirement age.
LOANS	Loans may be available to the extent provided by the annuity contract or custodial account.	Loans are not available.
FINANCIAL HARDSHIP/ EMERGENCY WITHDRAWALS** Only allowed when you have no other resources, including Plan loans, by approval. Deferrals must stop for 6 months.	Reasons include purchase of a primary residence, prevention of eviction or foreclosure from your primary residence, tuition expenses, or non-reimbursed medical expenses.	Reasons include sudden and unexpected illness or accident, loss of property due to casualty or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond your control.
ROLLOVERS IN	Contact your 403(b) administrator to see what they allow.	You can roll over any pre-tax money from another qualified plan, such as a section 401(k), 403(b), IRA, or other section 457 plan.
DISTRIBUTIONS WHILE EMPLOYED	You may take a distribution from your 403(b) Plan after age 59½ while still employed without a 10% early withdrawal penalty; 20% will be withheld for federal income taxes unless funds are rolled to a qualified plan.	If your 457 Plan has less than \$5,000 and has been inactive for two years, you may take it as a de minimis distribution. 20% may be withheld for federal income tax purposes.
DISTRIBUTION AFTER SEPARATION FROM EMPLOYMENT	After separation from state employment, at 59½, or at age 70½. You may roll over funds into other types of employer-sponsored plans, IRAs, or other eligible options. Lump-sum distributions have 20% automatically withheld for federal taxes. To avoid the 20% withholding, you may do a direct rollover to an eligible retirement plan, IRAs, or other eligible options.	After separation from state employment or at age 70½. You may roll over funds into other types of employer-sponsored plans, IRAs, or other eligible options. Lump-sum distributions have 20% automatically withheld for federal taxes. Periodic distributions are allowed. To avoid the 20% withholding, you may do a direct rollover to an eligible retirement plan, IRAs, or other eligible options.
REQUIRED MINIMUM DISTRIBUTIONS (RMD) MUST BEGIN	No later than April 1 following the year in which participant turns 70½, unless the participant is still employed.	
TAX PENALTIES	A 10% federal penalty tax applies to distributions made before age 59½. 50% federal tax penalty applies if required minimum distributions are not taken at age 70½.	No 10% federal penalty tax applies to distributions made before age 59½. 50% federal tax penalty applies if required minimum distributions are not taken at age 70½.
PURCHASING SERVICE CREDIT	You may be eligible to use your contributions to purchase or reinstate service credit.	

* Ceiling is adjusted each year per cost-of-living index.
** Please refer to IRS website for more information.

For more information, call the toll-free Information Line at 1-888-71-ALOHA (1-888-712-5642) or visit the Plan Web Site at <https://islandsavings.ingplans.com> (No log-in is required).