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GOVERNOR



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**STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES**

P.O. BOX 119
HONOLULU, HAWAII 96810-0119

Dear Participant of PTS Deferred Compensation Retirement Plan.

As a 1997 part-time, temporary, seasonal or casual employee of the State, a 1997 Form W-2 Wage and Tax Statement was given to you to reflect work performed for the State in calendar year 1997. You were also required to participate in the State's new 457 PTS Deferred Compensation Retirement Plan for part-time, temporary, seasonal and casual employees.

We have recently discovered that the 1997 Form W-2 issued to you may contain an error in Item 15, the "Pension Plan" box. If you were not a member of the State Employees' Retirement System (ERS) at any time during 1997 or if you were not a participant of the State's 403 (b) tax sheltered annuity plan at any time during 1997, the Pension Plan box should not be marked.

This error does not affect the taxable wages reported nor the taxes withheld. The error will affect you only if you attempt to contribute to an Individual Retirement Account (IRA) and deduct such contribution on your 1997 income tax return. If you have filed your 1997 income tax return and have deducted your IRA contribution, you may need to file an amended return and you may request an amended Form W-2 to be issued. If you have not filed your 1997 income tax return and will deduct an IRA contribution, please contact your department's personnel office to request an amended Form W-2. In all cases, we suggest that you consult your tax advisor regarding this matter.

We apologize for any inconvenience that this may have caused you. If you have specific tax questions, please contact your tax advisor. If you have any questions pertaining to the State's PTS Plan, please contact the PTS plan administrator, Comprehensive Financial Planning, Inc./Life Insurance Company of the Southwest, at 596-7006. Neighbor island participants may call toll free 1-800-600-7167.

Sincerely,


Sam Callejo
State Comptroller