



August 30, 2010

Change in Bond Purchase Administration

The U.S. Treasury has changed the way that U.S. Savings Bonds may be purchased. Effective January 1, 2011, the Treasury will stop issuing paper bonds through employer-sponsored payroll savings plans. However, bonds will still be available for purchase through the Treasury's on-line website. The funds to purchase electronic bonds can still be set aside using a direct deposit from your paychecks.

Although paper payroll savings bonds will no longer be available, employees will still have the opportunity to invest in savings bonds and other Treasury securities through TreasuryDirect. This is a secure, web-based system that allows you to purchase, manage, and redeem electronic (paperless) savings bonds 24/7.

Current participants in the bond purchase program have been individually notified of this change, via home mailing. Bond deductions for current participants will continue in paychecks through November 30, 2010. If any residual money is left in accounts (but insufficient to purchase another bond), the money will be reimbursed to participants after the month of November. (For those not interested in continuing participation in the bond program past the November, 2010 deduction period, no action needs to be taken.)

Employees interested in continuing (or beginning) participation in the bond purchase program in 2011 will need to do the following: (instructions available from the Benefits Service Center)

- Set up an on-line account on the TreasuryDirect website (www.TreasuryDirect.gov)
- complete a Direct Deposit OSR 5-197 form and return it to the Benefits Service Center by December 31, 2010

For more information on TreasuryDirect, visit their website at www.TreasuryDirect.gov. This comprehensive website offers demonstrations and specific information on accounts, bonds, and more.

As an alternative, paper bonds will still be available for purchase at financial institutions after January 1, 2011. But note that the Treasury plans to eliminate all paper bonds at some point in the future.

If you have any questions, please contact the SRNS/SRR Benefits Service Center at Service-Center@srs.gov or (803) 725-7772. Q&A's are available via this link... [Bond Q&A](#)