

FAQ's

Why is the Federal Department of Treasury discontinuing the issuance of paper bonds through payroll savings plans?

With TreasuryDirect®, the Federal Treasury can continue to offer investors the convenience of payroll savings while reducing the cost of the savings bond program. Individuals have the benefit of regularly investing in savings bonds or using their payroll contributions to purchase a broader range of securities. Savings bonds in TreasuryDirect are electronic securities in an account; they have all of the benefits of paper bonds but can't be misplaced or destroyed. Printing fewer paper bonds reduces the cost of the savings bond program and fits their long-term goal of one day issuing all securities electronically. Technology makes it possible for them to sell and maintain savings bonds and other Treasury securities electronically, which lowers the expense to the taxpayer.

How does the change affect me?

To continue your payroll savings, you'll need to open a TreasuryDirect account. You can have funds sent from your pay check to your TreasuryDirect Account through direct deposit. You can continue purchasing savings bonds (or other Treasury securities) and hold them electronically in TreasuryDirect.

What happens to the paper bonds I already own?

The bonds you own are valid issues of the U.S. Treasury. Paper savings bonds remain available for purchase at financial institutions and the U. S. Treasury will continue to provide service and support to bond holders.

What happens to the partial amounts I contributed that haven't yet been used?

Payroll Services is providing a transition period which will in many cases allow deductions to accrue to the full issue price of a savings bond. On October 10, 2010 if there is a remaining balance, it will be refunded to you on your October 29th pay day. Of course, you can choose to end deductions any time prior to October 10, 2010 and any balances will be refund on the following pay day. Contact Sherry Willis at 568-8034 or Jill Eckard at 568-3402 to inquire about your savings bond balances and to determine a stop date that will complete the purchase of your bonds and eliminate all balances.

What is TreasuryDirect?

TreasuryDirect is a secure web-based system that allows investors to establish accounts to purchase, hold, and conduct transactions online. Participants can purchase Series EE and Series I savings bonds, Treasury bills, and notes. You can establish multiple registrations in one account. You can schedule recurring purchases for savings bonds up to five years in advance. Since the securities are electronic, there is no paper to lose, nor do you need to go to your local bank to redeem them. When the funds are needed, and after the minimum holding period has been reached, you can redeem part or all of your savings bond(s). The payment will be deposited to the checking or savings account you choose. Redemption funds should reach your bank or credit union in just one business day. A summary of account activity, including recent purchases, payments, and account balance, are provided for you.

**FAQ's
continued**

How long does it take to open a TreasuryDirect account?

Setting up an online account is easy and can be accomplished in about 10 minutes. Just follow these steps:

1. Access the TreasuryDirect website at www.treasurydirect.gov and click "TreasuryDirect" under the "Open an Account" menu on the right-hand side of the webpage.
2. Review the eligibility requirements.
3. Gather the list of identifying information needed to open your account.
4. Click "Apply Now" and follow the step-by-step instructions to open your account.

Once the account is established, Your account number will be emailed to you and an access card will be mailed to you. The card provides an extra layer of security and is required to access the account. It takes about two weeks to receive the card in the mail.

What do I need to do to set up a payroll direct deposit to fund my TreasuryDirect account?

1. You open a TreasuryDirect account at www.treasurydirect.gov and wait for your access card to arrive in the mail.
2. Print a copy of the email from Treasury Direct that contains your account number. Use that number and the instructions in the "Welcome" letter (also attached to this e-mail) to establish your direct deposit to TreasuryDirect in J-ESS.
3. Your payroll department deducts the requested amount from each pay and direct deposits it into your TreasuryDirect account, just like any other direct deposit. The funds go into a Certificate of Indebtedness security (non-interest-bearing security) that serves as a holding place for your money until you are ready to purchase a savings bond. For Savings bonds you will need at least \$25.00 to make a purchase. Once you make the purchase the securities will appear in your TreasuryDirect account. You can set up recurring purchases in TreasuryDirect in advance.

What happens if I forget to schedule a purchase?

You must take action to schedule purchases in TreasuryDirect. Amounts you keep in your Certificate of Indebtedness earn no interest and remain there until you use them to make a purchase or redeem them. If you want to make recurring purchases you need to schedule them in TreasuryDirect. They won't occur automatically.

To use TreasuryDirect, do I need to have a bank account, Internet access, and an e-mail account?

Yes. You will need to have an account at a financial institution to receive direct deposit payments from requested redemptions and as a potential funding source for purchases at your request. You also will need Internet access to view and use your account. Finally, an e-mail address is necessary so that you can receive important messages about your account.