FS Form 0026-1
Department of the Treasury
Bureau of the Fiscal Service
(Revised August 2015)

QUESTIONS AND ANSWERS FOR SERIES EE SAVINGS BONDS ISSUED MAY 2005 AND THEREAFTER

Question: **Which Series EE Bonds earn interest at a fixed rate?**

Answer: Series EE Savings Bonds issued on and after May 1, 2005, earn a fixed rate of interest, set at the time of purchase. The rate applies for the 30-year life of each bond, including a 10-year extended maturity period, unless a different rate or rate structure is announced for the extension period. Interest accrues monthly and is compounded semiannually. EE bonds with an issue date prior to May 1, 2005, earn interest according to the terms in effect when they were issued.

Question: **How is the fixed rate on EE bonds determined?**

Answer: The Department of the Treasury sets the fixed rate administratively. The rate is based on 10-year Treasury note yields and adjusted for features unique to savings bonds, such as the tax deferral feature and the option to redeem the savings bonds at any time after the initial holding period.

Question: **How often do the fixed rates change for new issues?**

Answer: A fixed rate is announced for new issues each May 1 and November 1.

Question: **How do you purchase EE bonds?**

Answer: EE bonds can be purchased in electronic form, at face value, by opening a TreasuryDirect® account. Purchase prices start at $25, and the bonds can be purchased in any amount above that up to $10,000 per person, per calendar year. Treasury discontinued sales of paper EE bonds in December 2011.

Question: **When can a Series EE bond be redeemed?**

Answer: Series EE bonds, whether electronic or paper, are eligible for redemption one year from their issue date. However, if a bond is redeemed within the first five years after its issue date, any interest earned during the previous three months will be forfeited. Once a Series EE bond is five years old, there is no interest penalty for redemption.

Question: **When do EE bonds reach original maturity?**

Answer: EE bonds issued on and after May 1, 2005, reach original maturity at 20 years. These bonds are also guaranteed to double in value from their issue price no later than 20 years after their issue date. This is the bond's original maturity. If a bond does not double in value as the result of applying the fixed rate for 20 years, the Treasury will make a one-time adjustment at original maturity to make up the difference. During the 10-year extended maturity period that follows original maturity, bonds earn interest at the fixed rate set at issue unless a new rate or new terms and conditions are announced for the extension period.