



NEW CALCULATOR MAKES BOND PRICING EASY

What's one of the most valuable things you can offer your savings bond customers (...besides the good service you provide)?

You got it! An easy way to price U.S. Savings Bonds! It can be found in the new online Savings Bonds Calculator recently introduced by The Bureau of the Public Debt.

Available only on Public Debt's web site... it's a free bond-pricing tool designed especially for your customers. E-mail response already tells us that customers love it:

- "The calculator was exactly what I needed. It was so easy to use and understand. I am sure this will make a lot of individuals happy. Thank you so much."
– A Happy Investor
- "Thank you, thank you, thank you! I was faced with the daunting task

of trying to figure out what bonds from my father's estate were worth at the time of his death 17 months ago. Your new calculator did it for me in 15 minutes. A great time saver. Thanks again!"

- "The calculator was easy!"

The online Savings Bond Calculator prices Series EE, E, I Bonds, and Savings Notes. The web address is www.savingsbonds.gov/sav/savcalc.htm.

You simply enter the series, denomination, and issue date to find out what your bonds are worth. The calculator also provides:

- total interest earnings
- current interest rate
- next accrual date
- final maturity date
- past redemption values (back to January 1996)
- year-to-date interest (for tax reporting purposes)

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GO ONLINE TO CHECK YOUR HH/H ACCOUNT

HH/H Internet Service is now available on Public Debt's website. This service provides Series HH/H bond owners, co-owners, and individuals who have cashed HH/H bonds free online access to the following services:

- Account Information - View a description of HH/H bonds held and the interest paid
- Change of Address - See the current address on file and change the address online
- Tax Information - View the current 1099-INT statement and request a duplicate be mailed or faxed

To learn more, see the HH/H Internet Service website at www.savingsbonds.gov/sav/sbhbits.htm.

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FEDERAL TAX EXCLUSIONS ON SAVINGS BONDS INTEREST

Can customers exclude all or part of the interest received when redeeming qualified U.S. savings bonds (Series I and post-1989 Series EE) from income on their Federal income tax returns if they make contributions to a qualified state tuition program or an education IRA in the same year?

Yes, but people who want to do this must be sure to fulfill requirements in the Federal tax rules. These requirements are outlined in IRS Publication 970 "Benefits for Higher Education" which describes qualified higher educational expenses as:

- 1) Tuition and fees required to enroll at or attend an eligible educational institution (defined in Publication

970). (Qualified expenses do **not** include expenses for room and board, or for courses involving sports, games, or hobbies that are not part of a degree program.)

- 2) Contributions to a qualified state tuition program.
- 3) Contributions to an education IRA.

IRS Form 8815 contains instructions that explain the requirements for claiming this tax benefit.

You can obtain IRS publications and forms from the nearest IRS office or by visiting their website: www.irs.gov (scroll down to the bottom of the first web page and "click" on "Forms & Pubs.")

DEBT BUYBACKS

The news media in recent months have carried stories about the Department of the Treasury buying back outstanding, marketable Treasury securities in the market.

This is being done to reduce the public debt in a time when the Federal government is running a surplus which allows it to pay down debt held by the public.

If your savings bonds customers ask, the securities that Treasury is offering to buy are primarily long-term Treasury bonds not U.S. Savings Bonds.

NEED HELP WITH TRANSACTIONS?

When a transaction or a customer question has you stymied reach for the "Savings Bond Resource Guide."

This is a looseleaf format book that provides step-by-step help for completing Savings Bond transactions or answering customer questions.

If your branch doesn't have a copy of the guide contact your servicing Federal Reserve Bank and ask for the updated guide.

HANDY REDEMPTION TABLES

When customers ask for copies of Savings Bonds Redemption tables tell them about the abbreviated tables for \$50 Series EE Bonds and \$25 Series E Bonds and Savings Notes. They can write to the Bureau of the Public Debt, Parkersburg, WV 26106-1328 and ask for PD F 3600. Values of larger bonds can be calculated from this table.

Change of Address

Editor: Please change the mailing address

*From: (Recipient please affix old label here or provide the **identification number** printed above the address on the label.)*

To:

Please change the number of copies I receive

from _____ to _____

_____ I no longer wish to receive "The Bond Teller."

WHEN DO BONDS MATURE? STOP EARNING INTEREST?

It's a good idea to stay informed and let your customers know about matured and maturing savings bonds. Bonds have a simple "40-30-20" maturity schedule (see Maturity Table on Page 4). Series E bonds issued prior to December 1965 stop earning interest after 40 years.

Series E bonds issued December 1965 and later, all Series EE, Series I bonds, Series H bonds, and savings notes reach final maturity after 30 years; and Series HH bonds mature in 20 years. Series A-D bonds and Series F, G, J, and K bonds stopped earning interest many years ago.

If Series E, EE bonds or U.S. Savings Notes, are exchanged for Series HH bonds no later than one year from the month they reach final maturity, the owner can defer reporting the interest earned on the bonds exchanged until the taxable year when the Series HH bonds received in exchange are disposed of, redeemed or reach final maturity, whichever is earlier.

During the first year after final

maturity, the proceeds of matured Series HH bonds can be reinvested in new Series HH bonds with current issue dates.

Tax deferral on the accrued interest shown in legends on the front of the original HH bonds will not continue after reinvestment. It is reportable for federal income tax purposes in the year of final maturity of the original HH bonds. Interest on savings bonds is exempt from state and local income taxes.

Currently, there are over 19 million savings bonds worth over \$7 billion that have reached final maturity but have not been redeemed. Since these bonds are no longer earning interest, and income tax is now due on the interest earned, there is no advantage for owners to continue to hold them.

In January 2000 a milestone occurred; Series HH bonds (first issued in January 1980) began to reach final maturity. The last interest payment for Series HH bonds is made on the maturity date.

GRADUATIONS AND WEDDINGS ARE GOOD TIMES FOR GIFT BONDS

If customers are buying bonds for gifts encourage them to take the gift certificate so that they can notify the recipient that a bond is coming.

Better yet, have the bond sent to the purchaser so that he or she may personally give the gift to the owner.

NEW CALCULATOR

(Continued from page 2)

The Savings Bond Calculator even allows you to build and save an inventory of your savings bonds. It calculates total inventory value and total interest earned. It also keeps track of your bonds by serial number, providing an important record if your bonds are ever lost or destroyed. Six months down the road, when you want to recalculate the value of your bonds, you won't have to re-enter them!

Sound a little like the Savings Bond Wizard? It is. The biggest difference is that this is an online pricing tool. This means you don't have to download and install it, it works on just about any type of computer connected to the Internet, and current values are always available (no updating is required). Just connect to the Internet, enter your bonds, and the calculator does the rest. Now you don't have to be a "computer wizard" to find out what your bonds are worth!

Calculating the value of savings bonds has never been easier. Do yourself and your customers a favor—tell them about the new Savings Bond Calculator!

BondPro™ IS THE PROGRAM OF THE FUTURE

About a year ago we introduced you to BondPro™, a new windows pricing system for savings bonds. Version 1.00 has been available since March 1999 and coming soon is Version 2.00.

BondPro™ will help you cash, price, and exchange your customers' savings bonds. With each transaction you enter the bond series, denomination, and issue date. BondPro™ automatically calculates the interest and redemption values. It

generates a customer receipt and stores the complete transaction. It also allows you to print redemption tables by series and redemption month, and it creates an ASCII text file for 1099-INT reporting to the IRS.

And here is the good news. This program is free. For more information:

Phone: (304) 480-6888

E-mail: BondPro@bpd.treas.gov

You can start with Version 1.00 or, if you'd rather wait for Version 2.00, just let us know. We'll send the new version when it's available.

RATE INFORMATION

Current interest rates on savings bonds can be obtained by calling the toll-free recording 1-800-4US-BOND (1-800-487-2663).

BANKER VOLUNTEER




Richard L. Carrion, Chairman, President, and CEO, of Banco Popular, Puerto Rico (left) is shown in Washington, DC, while attending a meeting of the U.S. Savings Bonds Volunteer Committee. With him are Treasurer of the United States, Mary Ellen Withrow (center) and Syddia Lee-Chee Murillo, National Hispanic Marketing and Media Liaison, Savings Bonds Marketing Office of the Bureau of the Public Debt. The Volunteer Committee is composed of corporate, financial, and local government leaders who volunteer their time and expertise to encourage Americans to save and invest through the purchase of savings bonds.

CAN I GIVE MY SAVINGS BONDS TO A CHARITY?

Can a customer have bonds reissued to a charity? The simple answer is no, harsh though it may seem, that is not possible.


The important word here is *reissued*. Savings Bonds can only be registered in the names of organizations at the time they are first issued.

Your customer's bonds already have been issued in his/her name and therefore, can not be reissued in the name of an organization or church he/she may wish to benefit.

In this circumstance, there are two choices. One is to redeem the bonds and donate the proceeds to a charity—either in cash or by buying a bond in the organization's name. The second choice is to direct in his/her will that the bonds be given to the charity. For information on bond registration, your customer can write to the Bureau of the Public Debt, Parkersburg, WV 26106-1328, and ask for Treasury Circular 3-80, regulations governing U.S. Savings Bonds, Series EE and HH. 

ANY QUESTIONS? LET US KNOW

Do you have any questions? Is there anything you would like to have covered in depth in *The Bond Teller*? Let us know.

Write: Sheila E. Nelson, Editor, *The Bond Teller*, Bureau of the Public Debt, 999 E St. NW, Washington, DC 20239. 

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SAVINGS BONDS FINAL MATURITY TABLE

SERIES	ISSUE DATES	LIFE OF BOND	MATURITY DATES
E	May 1941—Nov. 1965	40 Years	May 1981—Nov. 2005
E	Dec. 1965—June 1980	30 Years	Dec. 1995—June 2010
Savings Notes	May 1967—Oct. 1970	30 Years	May 1997—Oct. 2000
EE	Jan. 1980—	30 Years	Jan. 2010—
H	Feb. 1957—Dec. 1979	30 Years	Feb. 1987—Dec. 2009
I	Sept. 1998—	30 Years	Sept. 2028—
HH	Jan. 1980—	20 Years	Jan. 2000—

All other savings bonds reached final maturity before this schedule was announced as follows:

SERIES	ISSUE DATES	LIFE OF BOND	MATURITY DATES
A	March 1935—Dec. 1935	10 Years	March 1945—Dec. 1945
B	Jan. 1936—Dec. 1936	10 Years	Jan. 1946—Dec. 1946
C	Jan. 1937—Dec. 1938	10 Years	Jan. 1947—Dec. 1948
D	Jan. 1939—April 1941	10 Years	Jan. 1949—April 1951
F	May 1941—May 1952	12 Years	May 1953—May 1964
G	May 1941—May 1952	12 Years	May 1953—May 1964
J	June 1952—April 1957	12 Years	June 1964—April 1969
K	June 1952—April 1957	12 Years	June 1964—April 1969
H	June 1952—Jan. 1957	29 Yrs. 8 Mos.	Feb. 1982—Sept. 1986