



State Accounting Office
of Georgia
Fiscal Leadership for Georgia

DATE: May 14, 2010
TO: CFO's and Payroll Directors
FROM: Greg S. Griffin, State Accounting Officer *gsg*
SUBJECT Immediate Action Required Regarding Savings Bond Change Effective January 1, 2011

Summary The U.S. Department of the Treasury has announced it will stop issuing paper savings bonds through employer-sponsored payroll savings plans as of **January 1, 2011**. All agency payroll offices should have received this information via a letter from the Federal Reserve Bank of Cleveland, Pittsburgh Branch. If you did not receive a letter, a copy is attached for your convenience. Consequently, as of this date (January 1, 2011), the deduction code 'BONDS' will no longer be available for use in the PeopleSoft HCM system.

What Are All Agencies Required To Do? Although participation in the Payroll Savings Bond program by your agency is voluntary, you **must complete the TreasuryDirect Response Form** (included in the attached) and return it to the Federal Reserve Bank of Cleveland as per their instructions **by May 21, 2010**.

What If Our Agency Elects To Continue With Savings Bonds? If your agency elects to continue to offer savings bonds to employees, you must indicate the appropriate response when completing the TreasuryDirect Response Form. Also, be advised that your agency will be responsible for informing and training your staff and employees on the changes regarding the savings bond program.

**What Does
The Employee
Need To Do?**

Based on the instructions provided from the U.S. Department of the Treasury, each employee that participates in the program must open a TreasuryDirect account no later than December 31, 2010 or at a date determined by your agency. Your agency can elect to stop the deductions at an earlier date. The employee's TreasuryDirect account information must be populated in the PeopleSoft HCM system for the savings bond amount to be remitted each pay period. The amount remitted will be based on the dollar amount the employee enters in the PeopleSoft HCM system assigned to that account. The employee will populate their account information and amount to be remitted using the PeopleSoft Employee Self Service feature of the system, just as they would for direct deposit of net pay.

**What Is
TreasuryDirect?**

TreasuryDirect is a secure web-based system that allows investors to establish accounts to purchase, hold, and conduct transactions online. Investors can purchase Series EE and I savings bonds, Treasury bills, notes, bonds, and Treasury Inflation-Protected Securities (TIPS) through TreasuryDirect. Paper savings bonds are not sold through TreasuryDirect.

**What Should
Agencies Do
And When?**

For agencies that have active savings bond participants under the current savings bond program, the agency will have to ensure that they do not stop the current bond deduction until the last bond is purchased and a zero balance remains. To review balances, you must follow the navigation to the Review U.S. Savings Bonds page: Payroll for North America/Employee Pay Data USA/Deductions/ Review U.S. Savings Bonds. **This process must be completed before the last payroll in November 2010 to avoid refunds of partial balances in the employee's savings bond account.**

**Where Can I
Find More
Information?**

Additional employee communications, FAQ's and resources each agency can use are available online at www.frbsservices.org/PayrollSavings. Questions your staff may have should be directed to the SAO HCM Production Support Group using the following contact information: (404) 657-3956 or (888) 896-7771 or hcm@sao.ga.gov.