COMPTROLLER'S MEMORANDUM NO. 2010-26

TO: Heads of Departments and Agencies

ATTN: Fiscal and Personnel Offices

SUBJECT: Termination of U.S. Savings Bond Program

Effective January 1, 2011, the U.S. Department of the Treasury will discontinue issuing paper savings bonds through employer-sponsored payroll savings plans. This change is part of its broad new initiative to increase the number of electronic transactions and reduce the costs associated with the U.S. Savings Bond Program.

To implement the termination, we anticipate terminating deductions from employees' pay with the November 5, 2010 payday. For employees' whose deductions have met the amount required to purchase savings bonds will receive bond(s) for the month of October. Refunds will be issued to employees' whose balances are not sufficient to purchase savings bonds.

As a final note, the U.S. Department of the Treasury encourages employees to continue purchasing electronic (paperless) savings bonds through the online TreasuryDirect system and that paper savings bonds remain available through financial institutions.

RUSS K. SAITO
State Comptroller