

LINDA LINGLE
GOVERNOR



RUSS K. SAITO
COMPTROLLER

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DEPUTY COMPTROLLER

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

AUG 9 2010

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.

A handwritten signature in cursive script, appearing to read "Russ K. Saito".

RUSS K. SAITO
State Comptroller