

BULLETIN NO. P-208

November 20, 1979

To : All State Departments and Agencies

Subject: New United States Savings Bond Program

Effective in Institution Pay Period 22 (January 24 to February 6, 1980) and Administration Pay Period 23 (January 31 to February 13, 1980) the purchase prices and bond issue amounts for U. S. Savings Bonds will change. The new EE Savings Bond program will discontinue the \$25.00 face value savings bond and make the \$50.00 face value bond the lowest available denomination for bond issue.

Note: The new bond program will not effect any savings bonds issued prior to the conversion.

The new EE Savings Bonds will have an interest rate of 4% at the time of issuance, accelerating to 6½% at the end of five years and continuing at that rate compounded semi-annually to maturity. The EE Savings Bonds will be eligible for redemption six months after issue.

Any bond account which does not change in the pay periods indicated below will be automatically converted to the nearest bond issue amounts. The employee's existing biweekly deduction will continue and will be accumulated until enough is withheld to purchase a bond in the denomination nearest the employee's current bond.

For example, a person currently having \$18.75 a pay period deducted and purchasing a \$25.00 savings bond will, upon conversion, continue to have the \$18.75 deducted until \$25.00 is accumulated and then be issued a \$50.00 savings bond.

The following charts show the former and the new purchase prices and bond issue amounts:

<u>Former</u>		<u>Upon Conversion</u>	
<u>Purchase Price</u>	<u>Bond Issue Amount</u>	<u>Purchase Price</u>	<u>Bond Issue Amount</u>
\$ 18.75	\$ 25.00	\$ 25.00	\$ 50.00
37.50	50.00	37.50	75.00
56.25	75.00	50.00	100.00
75.00	100.00	75.00	100.00 - 50.00
93.75	100.00 - 25.00	87.50	100.00 - 75.00
112.50	100.00 - 50.00	100.00	200.00
131.25	100.00 - 75.00	125.00	200.00 - 50.00
150.00	200.00	150.00	200.00 - 100.00
165.00	200.00 - 25.00	137.50	200.00 - 75.00

A Notice to Employees concerning the new EE Savings Bond will be sent to the agencies to be distributed to all employees with their paychecks of December 5, 1979 or December 13, 1979. This will give employees an opportunity to change the deduction amounts and/or denominations of their current bonds prior to the conversion.

If employees wish to change the deduction amount or denomination of their savings bonds, a new authorization card (AC-846) and an AC-1040 will have to be submitted to Audit and Control in Institution Pay Period 22 and Administration Pay Period 23. A supply of new bond authorization cards is being provided to all agencies. Please destroy any old stock remaining.

The completed bond authorization cards should be sent to:

Department of Audit and Control
Deduction Unit - 8th Floor
A. E. Smith Office Building
Albany, New York 12236

Questions concerning the new bond program should be directed to Ms. Virginia Branche (518-474-3538).