

The Board of Chosen Freeholders of the County of Monmouth

DEPARTMENT OF FINANCE
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OFFICE OF THE COUNTY TREASURER
DIVISION OF PURCHASING

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PLEASE POST

MEMORANDUM

DATE: July 28, 2010
TO: Department Heads
FROM: Joseph M. Morris, CCFO, CMFO, Chief Accountant J.
RE: Savings Bonds

We have been advised by the Treasury Department that the paper savings bonds through employer sponsored savings plans will be terminated. This program will be replaced by an online, paperless system called TreasuryDirect.

In order for a timely and accurate transition to the new TreasuryDirect system, the following dates and processes will be implemented:

- Effective September 30, 2010, all participants in the payroll savings bond program who purchase a bond and have a zero balance in the account will be discontinued from the program. All participants who have a balance in their account will be refunded and discontinued from the program.
- Those employees who wish to continue purchasing bonds through payroll deductions are required to sign up for and open a TreasuryDirect account online, on their own.
- Employees who wish to continue savings bonds through payroll deductions are strongly encouraged to set up the TreasuryDirect as soon as possible, so you are ready to use the new system by the implementation date (October 1, 2010).
- A new form is attached hereto as "TreasuryDirect Savings Bond Authorization Form" which will only be used by those employees who wish to purchase savings bonds through the TreasuryDirect program. This form must be completed in its entirety, signed, dated, and a copy of your TreasuryDirect email (with account number) attached.

Also attached are the following informational documents for TreasuryDirect:

- Cover letter about the change.
- Instruction sheet on opening a TreasuryDirect account.
- A two page information sheet on how the program works.

If you have questions on this new savings bond purchase program, you can call Treasury Retail Securities at 800-245-2804.

JMM:drb
treasurydirectinfo
Enclosures

Treasury Retail Securities

Federal Reserve Bank of Cleveland
Pittsburgh Branch

Fiscal Agent of the United States

Effective: January 1, 2011

P.O. Box 299
Pittsburgh, PA 15230-0299
1-800-245-2804

**Subject: Important Notice: Paper Payroll Savings Bond Program to be Discontinued;
Electronic Payroll Savings available through TreasuryDirect®**

To: Payroll Savings Bond Plan Participants

The U.S. Department of the Treasury has announced it will stop issuing paper savings bonds through payroll savings plans as of **January 1, 2011**. This change will reduce the costs associated with the U.S. Savings Bond Program and supports the Treasury's long-term plan to issue all securities electronically.

We have advised your payroll administrator to take the necessary steps to discontinue the paper payroll savings plan in which you participate to coincide with this change. After **December 2010**, orders for paper payroll savings bonds will no longer be accepted and your employer or payroll administrator will return any remaining funds to you.

While paper payroll savings bonds will no longer be available, you still have the opportunity to invest in savings bonds and other Treasury securities through **TreasuryDirect**. This convenient and secure web-based system allows you to purchase, manage, and redeem electronic (paperless) savings bonds online 24/7. Using TreasuryDirect, you can also purchase Treasury marketable securities (bills, notes, bonds, and TIPS) to expand your savings portfolio.

After you establish a TreasuryDirect account at www.treasurydirect.gov, your employer or payroll administrator can establish payroll direct deposit to fund your account. If your employer or payroll administrator does not offer payroll direct deposit, you can still participate in TreasuryDirect by providing your personal banking account information to fund your TreasuryDirect account.

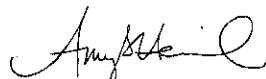
For your convenience, we're providing the following materials to assist with this transition:

- A list of frequently asked questions (FAQs) on this change
- Employee Information on Electronic Payroll Savings with TreasuryDirect (PD P 0072 E)
- Instructions for establishing a TreasuryDirect account

These materials are also available online at www.frbservices.org/PayrollSavings

If you have any questions, please contact your Treasury Retail Securities site at 800-245-2804 (select Menu Option 7, then Option 5). To learn more about electronic savings through TreasuryDirect, and to take a guided tour of the system, you may visit www.treasurydirect.gov. We value your continued support of the U.S. Savings Bond Program.

Sincerely,



Amy J. Heintz
Vice President
Treasury Retail Securities
Federal Reserve Bank of Cleveland – Pittsburgh Branch

April 2010

For information about Treasury Retail Securities, go to:
www.treasurydirect.gov

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Treasury Retail Securities

Opening a TreasuryDirect® Account

TreasuryDirect is a convenient and secure web-based system that allows you to establish an account to purchase, manage, and redeem electronic Series EE and I bonds, Treasury bills, notes, bonds, and Treasury Inflation-Protected Securities (TIPS) online. Opening a TreasuryDirect account takes approximately 10 minutes. Just follow these steps:

1. Access the TreasuryDirect website at www.treasurydirect.gov and click "TreasuryDirect" under the "Open an Account" menu on the right-hand side of the webpage.
2. Review the eligibility requirements and account types offered (individual and entity accounts are available).
3. Gather the list identifying the information needed to open your account.
4. Click "Apply Now" and follow the step-by-step instructions to open your account.

During the application process, you'll provide an account password and answers to several security questions to protect your account. After completing the application, you'll receive an e-mail with your account number, and an access card will be mailed to the address you provide within one to two weeks of opening your account. You'll need the access card, your account number, and your password to access your new account.

To establish a payroll direct deposit to fund your TreasuryDirect account (if offered by your employer or payroll administrator), provide your payroll department/administrator with your TreasuryDirect account number, the TreasuryDirect routing number (051736158), and the receiving bank name (TREASURYDIRECT).



TreasuryDirect Payroll Savings

The Payroll Savings Option in TreasuryDirect

TreasuryDirect offers a 21st century option for payroll savings, using a simple payroll direct deposit that is just like any other direct deposit.

How does the payroll option in TreasuryDirect work?

It's simple...

- You open a TreasuryDirect account.
- You submit a request to your employer for a payroll direct deposit (an instruction sheet is available in TreasuryDirect, under Manage Direct, View My Funding Options).
- Your employer establishes a direct deposit from each pay in the amount you request. Your direct deposit is used to purchase a Zero-Percent Certificate of Indebtedness (C of I), which does not earn any interest, but is used as a source of funds to purchase savings bonds within your TreasuryDirect account.
- You may buy a savings bond after accumulating a minimum of \$25 or a marketable security after accumulating a minimum of \$100 in the C of I or by scheduling a purchase in advance. The security is then posted to your TreasuryDirect account.

Why Should I Choose TreasuryDirect?

TreasuryDirect is an easy way for you to save on a regular basis by purchasing electronic Treasury securities. With TreasuryDirect:

- You can buy, manage, and redeem Treasury securities online 24/7, all from the convenience of home or work, wherever you have secure Internet access.
- You can diversify your holdings since TreasuryDirect also offers Treasury bills, notes, bonds, and Treasury Inflation-Protected Securities (TIPS).
- You can establish multiple registrations in one account.
- You can schedule recurring purchases of savings bonds for up to five years in advance. Marketable securities purchases can also be scheduled in advance. If you're interested in this option, you'll find more information on our website, www.treasurydirect.gov and in your TreasuryDirect account.
- Savings bonds purchased through TreasuryDirect are generally added to your account in just one business day.
- When the funds are needed, after the minimum term of ownership has been reached, you can cash part or all of a savings bond or savings bonds. The payment will be deposited to the checking or savings account you choose. Redemption funds should reach your bank or credit union in one business day.
- TreasuryDirect tracks details such as issue date and current value for you.
- Since the savings bonds are electronic, there is no paper to lose, nor do you need to go to your local bank to redeem them.
- You can even set up accounts for minor children, as well as custom accounts for specific purposes such as a vacation, within your TreasuryDirect account.
- TreasuryDirect provides a summary of account activity, including recent purchases, payments, and account balance.

Other Ways to Contribute to Your C of I

In addition to direct deposit from your pay, you can contribute to your C of I from pension funds, annuities, and even your checking or savings account. If you need to add to your C of I balance in order to purchase a savings bond, you can contribute directly to the C of I from your checking or savings account. If you choose to use one of these methods to contribute to your C of I, contact the relevant institution. Also, you can redeem securities in your TreasuryDirect account to the C of I instead of to your bank account.

Find more information about the payroll feature in our [TreasuryDirect Payroll Savings FAQs](#).

TREASURYDIRECT SAVINGS BOND AUTHORIZATION FORM

COUNTY OF MONMOUTH - FINANCE DEPARTMENT

DEPARTMENT NAME	EMPLOYEE NAME	SOCIAL SECURITY NO.
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I AUTHORIZE THE COUNTY EACH PAYDAY TO DEPOSIT MY DEDUCTION DIRECTLY TO THE ACCOUNT NAMED BELOW. THIS AUTHORITY WILL REMAIN IN FORCE UNTIL I HAVE GIVEN THE COUNTY WRITTEN NOTIFICATION THAT I HAVE WITHDRAWN SAME OR UNTIL THE COUNTY HAS NOTIFIED ME THAT IT HAS TERMINATED THIS DEPOSIT SERVICE. ADDITIONALLY, IF MY ACCOUNT NUMBER CHANGES, I WILL IMMEDIATELY NOTIFY THE COUNTY FINANCE DEPARTMENT. **A TREASURYDIRECT ACCEPTANCE EMAIL WITH AN ACCOUNT NUMBER MUST BE ATTACHED HERETO.**

Please Deduct Each Pay:

Amount	TreasuryDirect Account Number	051736158 Transit Routing No./ABA
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Information for Employees



What information do I need to open an account?

In order to complete our easy, online application, you will need the following items on hand:

- Your social security number (taxpayer identification number),
 - Your driver's license number or state ID and expiration date,
 - Your bank or credit union routing number and account number of the checking or savings account you'd like to use,
 - A valid e-mail address, and
 - A browser that supports our technical requirements.
- If you would like to download the latest browser versions available visit <http://www.treasurydirect.gov/initiv/help/128bit.htm>. Once you have all this information, you are ready to open your TreasuryDirect account.

How does Treasury Direct work with payroll savings?

You establish your own TreasuryDirect account and, with payroll direct deposit that is just like any other direct deposit, purchase a Certificate of Indebtedness (C of I). The C of I is a Treasury security that does not earn any interest and is used as a source of funds to purchase electronic Series EE and/or Series I savings bonds and/or Treasury bills, notes, bonds, and Treasury Inflation-Protected Securities (TIPS). You redeem the C of I to purchase the electronic securities. You can schedule automatic recurring purchases for convenience.

Electronic Payroll Savings with TreasuryDirect®

What is TreasuryDirect?

TreasuryDirect is a Web-based system that allows investors to establish accounts to buy, hold, and manage Treasury securities online. You can purchase electronic 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 are the advantages of TreasuryDirect?

- TreasuryDirect is an easy way for you to save on a regular basis by purchasing electronic Treasury securities. With TreasuryDirect:
- You can buy, manage, and redeem Treasury securities online 24/7, all from the convenience of home or work, wherever you have secure Internet access.
- You can diversify your holdings since TreasuryDirect also offers Treasury bills, notes, bonds, and TIPS.
- You can establish multiple registrations in one account.
- You can schedule recurring purchases for savings bonds for up to five years in advance. Marketable securities purchases can also be scheduled in advance. If you're interested in this option, you'll find more information on our web site, www.treasurydirect.gov and in your TreasuryDirect account.
- Savings bonds purchased through TreasuryDirect are generally added to the account in just one business day.

Can I participate in TreasuryDirect without using payroll direct deposit?

Absolutely! You can open a TreasuryDirect account and make purchases by having TreasuryDirect debit your savings or checking account.

What is the minimum term of ownership?

Savings bonds must be held for a minimum of 12 months before they can be redeemed. Also, if you cash a savings bond within the first five years after it is issued, you give up the last three months' worth of interest.

Treasury bills have maturities of 4 weeks, 13 weeks, 26 weeks, and 52 weeks. Treasury notes have maturities of greater than 1 year but no more than 10 years. Treasury bonds have a maturity of greater than 10 years. TIPS are issued with maturities of 5, 10, and 30 years.

How do I get started with TreasuryDirect?

Open your TreasuryDirect account at www.treasurydirect.gov. Instructions for setting up payroll direct deposit can be found in "View my Funding Options" under the ManageDirect® tab within the application. It's that simple.

To use TreasuryDirect, do I need to have Internet access and an e-mail account?

Yes, to use TreasuryDirect, you must have Internet access to log in to your TreasuryDirect account and an e-mail address to receive important messages from TreasuryDirect, including a message providing your account number.

- When the funds are needed, after the minimum term of ownership has been reached, you can redeem part or all of your savings bond(s). The payment will be deposited to the checking or savings account you choose. Redemption funds should reach your bank or credit union in just one business day.
- TreasuryDirect tracks details such as issue date and current value for you.
- Since the securities are electronic, there is no paper to lose, nor do you need to go to your local bank to redeem them.
- You can even set up accounts for minor children, as well as custom accounts for specific purposes such as a vacation, within your TreasuryDirect account.
- TreasuryDirect provides a summary of account activity, including recent purchases, payments, and account balance.

How do I establish payroll savings with TreasuryDirect?

It's simple ...

1. You open a TreasuryDirect account at www.treasurydirect.gov.
2. You submit a request to your employer for a payroll direct deposit (an instruction sheet is available once you have opened an account in TreasuryDirect).
3. Your employer establishes a direct deposit from your pay in the amount you request.
4. You can buy a savings bond after accumulating a minimum of \$25 in your account. The bond is then posted to your TreasuryDirect account. Treasury bills, notes, bonds, and TIPS are purchased in increments of \$100.

www.treasurydirect.gov



PD P 0072 E
Department of the Treasury
Bureau of the Public Debt
(Revised June 2010)

Why would my employer want to offer payroll savings through TreasuryDirect?

With TreasuryDirect your employer can provide you with a convenient method of automatic savings. Your employer sends the direct deposit to TreasuryDirect each payday.

- Your employer doesn't need to accumulate funds toward the purchase price of a savings bond.
- You, not your employer, request the issuance of savings bonds.

Why must I enter a bank or credit union account number when I open my TreasuryDirect account?

Your bank or credit union account information is part of how TreasuryDirect confirms your identity when you open your account. Also, if you redeem a security, TreasuryDirect will deposit the payment to the bank or credit union account you select.

Does TreasuryDirect confirm my identity?

TreasuryDirect confirms your identity while you wait, using information you provide online.

How long will it take to verify my information?

Your personal information will be verified within one (1) minute after your TreasuryDirect account information has been submitted.

What if you are unable to verify my information?

If we are unable to verify your information, we will offer you the opportunity to complete a convenient, printable authentication form. You complete the form according to the instructions and submit it to the address we provide.

Is it safe to send all this information over the Internet?

Yes, the infrastructure TreasuryDirect resides on is well protected and the TreasuryDirect system uses several features to ensure the safety of the information you provide and the transactions you perform. For example:

- **Secure Sockets Layer (SSL) Technology:** TreasuryDirect uses SSL which is a common protocol for sending payment information securely over the Internet. SSL works by using a private, mathematical key to encrypt (or scramble) data transferred between your web browser and the website you're visiting.
- **Access Card:** When you open a TreasuryDirect account, we will send you an access card in the mail within two weeks. Your account number, password, and access card are needed each time you log in to your TreasuryDirect account. You can view a demonstration of how an access card works at www.treasurydirect.gov. (www.treasurydirect.gov/indiv/help/TIDTutorial/tutorial.htm).
- **Virtual Keyboard:** TreasuryDirect uses a virtual keyboard to help protect your password.

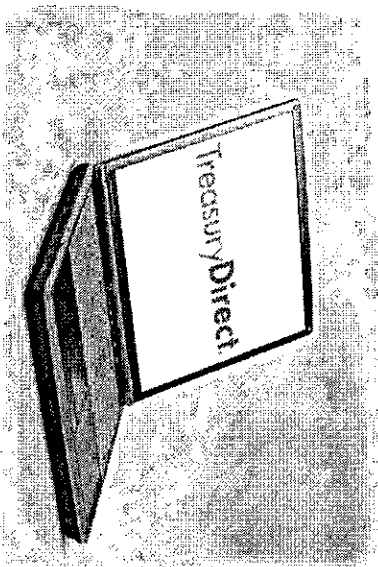
- **Password:** You choose your own password and can change it any time.

- **Customer Hold:** As an added security feature, TreasuryDirect allows you to place a hold on your account if you feel your account access information has been compromised.

- **Paper Forms:** For your protection, changes to your bank information and certain security transfers require the submission of a signed and certified paper form.

I buy savings bonds in multiple registrations. How does this work in TreasuryDirect?

You establish each registration in your TreasuryDirect account. Registration refers to the name and social security number (SSN) of the person(s) associated with a security and maintained on record. When you schedule a purchase, you select the amount of the purchase and the registration desired. You can schedule one or more purchases



with the same registration or multiple purchases with various registrations. For example, you can schedule a purchase on the 15th of each month for a daughter and on the 30th for a son, or schedule a purchase for each on the 15th and 30th of each month.

In TreasuryDirect, do I need a separate direct deposit for each registration?

No. One direct deposit can be used to cover multiple purchases. You simply use the C of I as the source of funds when scheduling each purchase.

What is the smallest denomination savings bond I can buy in TreasuryDirect?

Electronic savings bonds are not sold by denomination. The minimum amount to purchase a savings bond in TreasuryDirect is \$25 and the maximum is \$5,000. In between, you can purchase any amount — down to the penny. There is a \$5,000 annual limit per savings bond series per person.

Treasury bills, notes, bonds, and TIPS are purchased in increments of \$100.

Does a direct deposit need to be at least \$25?

No. You can request a direct deposit of as little as a penny; however, your payroll system may have a minimum dollar amount on direct deposits. The funds will accumulate in a C of I in your TreasuryDirect account until you make a purchase.

When is the issue date established on a savings bond I buy in TreasuryDirect?

Savings bonds purchased in TreasuryDirect are posted to your account one business day after they are purchased. The issue date of the savings bond is the first day of the month in which the savings bond is posted. For example, if the purchase is made on May 31 and the savings bond posts on June 1, the issue date is June 1, but if the purchase is made on May 26 and the savings bond posts on May 27, the issue date is May 1.

What happens if I forget to schedule a purchase?

The C of I will remain in your TreasuryDirect account and will not earn any interest.

What happens if I stop my direct deposit, and the value of the C of I is not enough to buy a savings bond?

You can redeem the C of I at any time, directing the payment to a checking or savings account at your bank or credit union.

What happens if I stop my direct deposit, but forget to stop scheduled future purchases of savings bonds?

When the C of I is insufficient to cover the purchase of a savings bond, the purchase will not take place. TreasuryDirect will notify you by e-mail.

Does my employer need to provide Internet access to TreasuryDirect?

No. Although we encourage employers to consider providing access to TreasuryDirect at the employee's workstation, in a break room, or through the payroll and benefits office, they are not required to do so.

Are there other ways to purchase besides payroll direct deposit?

Yes. You can purchase by having your pension provider, annuity holder, or other financial partner direct deposit funds to your TreasuryDirect account. Please check with the relevant institution and be sure to ask about any fees that may apply. You can also initiate a purchase from within your TreasuryDirect account, using your savings or checking account as a source of funds.

www.treasurydirect.gov