

A simpler process for both employer and employee

What about our employees – is TreasuryDirect good for them?

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

- Your employee can buy, manage, and redeem Treasury securities online 24/7, all from the convenience of home or work, wherever he has secure Internet access.
- Your employee can establish multiple registrations in one account.
- Your employee can schedule recurring purchases for up to five years in advance.
- Savings Bonds purchased through TreasuryDirect are generally added to the account in just one business day.
- When the funds are needed, after the minimum term of ownership has been reached, your employee can cash part or all of a savings bond or bonds, directing the money to a checking or savings account at his bank or credit union. Redemption funds should reach his bank or credit union in just one business day.
- TreasuryDirect tracks details such as issue date and current value for your employee.
- Since the securities are electronic, there is no paper to lose (and you don't have to assist the employee with reporting or tracking missing bonds).
- Your employee can even set up accounts for his minor children, as well as custom accounts for specific purposes such as a vacation, within his TreasuryDirect account.
- TreasuryDirect provides a summary of account activity, including recent purchases, payments, and account balance.

What are the advantages of TreasuryDirect compared with a traditional payroll savings plan?

With TreasuryDirect your employee enjoys the benefit of automatic savings with significantly less work and, therefore, less cost to you. You send each deduction to TreasuryDirect each payday, that's it ...

- You don't accumulate funds toward the purchase price of a savings bond.
- You don't request the issuance of savings bonds.
- You don't keep track of registrations.

It couldn't be simpler!

How does this change payroll savings?

TreasuryDirect offers a 21st century alternative to the traditional payroll savings plan. Your employee establishes his own TreasuryDirect account and, with payroll deductions that are just like any other direct deposit deduction, buys electronic Series EE and/or Series I bonds, or Treasury bills, notes, bonds and TIPS.

How does TreasuryDirect work with payroll savings?

It's simple ...

1. Your employee opens her own TreasuryDirect account at www.treasurydirect.gov.
2. Your employee submits a request – an instruction sheet is available in TreasuryDirect – to your payroll office for a payroll deduction, providing her TreasuryDirect account number and the amount she wants deducted from each pay.
3. You, or your payroll processor, establish a deduction for the amount requested using the TreasuryDirect routing number we provide and the employee's TreasuryDirect account number. The deduction is handled as a standard ACH credit, using standard NACHA file formats, and sent through your normal ACH processing channels.
4. TreasuryDirect receives the ACH credit and issues the employee a Zero Percent Certificate of Indebtedness (C of I) within their TreasuryDirect account. The C of I is a security that earns no interest, matures daily, and is used as a source of funds to purchase savings bonds or other Treasury securities within the employee's TreasuryDirect account.
5. The employee uses the C of I to purchase savings bonds or other Treasury securities. She may buy a savings bond after accumulating \$25 in the C of I or schedule purchases in advance. Other Treasury securities such as bills, notes, Treasury bonds, and TIPS are purchased in increments of \$100. Recurring purchases may be scheduled up to 5 years in advance.
6. Savings bonds purchased in TreasuryDirect are posted to the employee's account one business day after the scheduled purchase date. The issue date of the bond is the first day of the month in which the bond is posted. For example, if the purchase is scheduled on May 31 and the bond posts on June 1, the issue date is June 1.

TreasuryDirectSM



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Information for Employers



What is TreasuryDirect?

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

F.A.Q.

We already have a traditional payroll savings plan. Can we automatically convert our employees to TreasuryDirect?

No, to enroll in TreasuryDirect, an employee must first open a TreasuryDirect account at www.treasurydirect.gov.

We have a traditional payroll savings plan. Do we have to convert to TreasuryDirect?

You may continue to offer a traditional payroll savings plan. Treasury's long-term direction is to issue all securities electronically; however, a specific date has not been set for the elimination of paper savings bonds. As long as paper bonds are available, you may continue to offer the traditional payroll savings plan.

Can we offer both the traditional payroll savings plan and TreasuryDirect?

Yes, you may offer both at the same time. In fact, we recognize that you may want to offer both plans as part of a strategy to move employees from your traditional payroll savings plan to TreasuryDirect.

If you offer both, it will be important to help your employees understand that the traditional payroll savings plan offers only paper savings bonds and TreasuryDirect



offers only electronic securities, including savings bonds, bills, notes, Treasury bonds and TIPS.

Can employees participate in both plans at the same time?

Yes, since the traditional payroll savings plan and TreasuryDirect are completely separate plans, an employee can participate in both at the same time. *If you offer both plans, it will be important to help your employees understand that the traditional payroll savings plan offers only paper savings bonds and TreasuryDirect offers only electronic securities, including savings bonds, bills, notes, Treasury bonds and TIPS.*

In our traditional payroll savings plan, we have employees who buy bonds in multiple registrations. How does this work in TreasuryDirect?

Your employee establishes each registration in his TreasuryDirect account.

With TreasuryDirect, does the employee need a separate deduction for each registration?

No, one deduction can be used to cover all desired purchases.

Does a deduction need to be at least \$25?

No, an employee can request a deduction of as little as a penny; however, your payroll system may have a minimum dollar amount on deductions.

What is the smallest denomination bond an employee can buy in TreasuryDirect?

Actually, 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, an account holder can purchase any amount – down to the penny. There is a \$5,000 annual limit per series per person.

For Treasury bills, notes, bonds, and TIPS, purchases are made in increments of \$100.



It sounds like all we need to do is process a standard deduction request. Is that correct?

Yes, all you need to do is process your employee's request for a payroll deduction and any changes to or cancellation of that deduction.

To use TreasuryDirect, does our employee need to have Internet access and an e-mail account?

Yes, to use TreasuryDirect, your employee must have Internet access to log into her TreasuryDirect account and an e-mail address to receive important messages from TreasuryDirect, such as her account number.

Do we need to provide Internet access to our employees?

No, you are not required to provide Internet access, although we would encourage you to consider providing access to TreasuryDirect at the employee's workstation, in a break room, or through the payroll and benefits office. We can provide an HTML page for you to use on an internal website to provide access to TreasuryDirect.

Will Treasury provide assistance with promoting TreasuryDirect to our employees?

Treasury's website at www.treasurydirect.gov is the official source of all information and materials. They can easily be downloaded or printed directly from our website. If you have a company intranet, you may also want to provide a link to www.treasurydirect.gov on your employee benefits page.

Where can we learn more about TreasuryDirect?

Treasury's website at www.treasurydirect.gov is the official source of information.

We are interested in offering TreasuryDirect. Whom can we contact about program information?

Our TreasuryDirect payroll support team can be reached by e-mail at payrollcontact@bpd.treas.gov. This mailbox should be used only by employers or payroll processors.

www.treasurydirect.gov