

PAYROLL BULLETIN

To: All State Agencies, Boards and Commissions
From: Steven L. Valasek, Director of State Accounting
Date: July 28, 2010
Subject: Payroll Savings Bond Program to be Discontinued
Number: 2-10

The U.S. Department of the Treasury has announced that it will discontinue issuing paper savings bonds through State payroll savings plans. 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.

This policy covers only paper savings bonds purchased through State payroll savings plans. Individuals can still purchase paper savings bonds at financial institutions or individuals can purchase and hold electronic savings bonds through the Treasury's new "TreasuryDirect®" program (www.treasurydirect.gov).

The Illinois Office of the Comptroller (IOC) will discontinue the State payroll savings bond program effective September 1, 2010. The IOC will not process any payrolls that contain a savings bond deduction after that date. Any payroll vouchers submitted after September 1, 2010, with a savings bond deduction will be returned to the agency for correction.

All previously deducted funds that are not applied to the purchase of a savings bond by September 1, 2010, will be returned to plan participants. The IOC will process these refunds by September 30, 2010, and will distribute the refunds to the plan participant's payroll office.

Agencies may access this and other Payroll, SAMS and Accounting Bulletins on the Comptroller's website at www.ioc.state.il.us under Resource Library. If you have any questions regarding this bulletin, please contact our Payroll Office at (217) 782-4758.