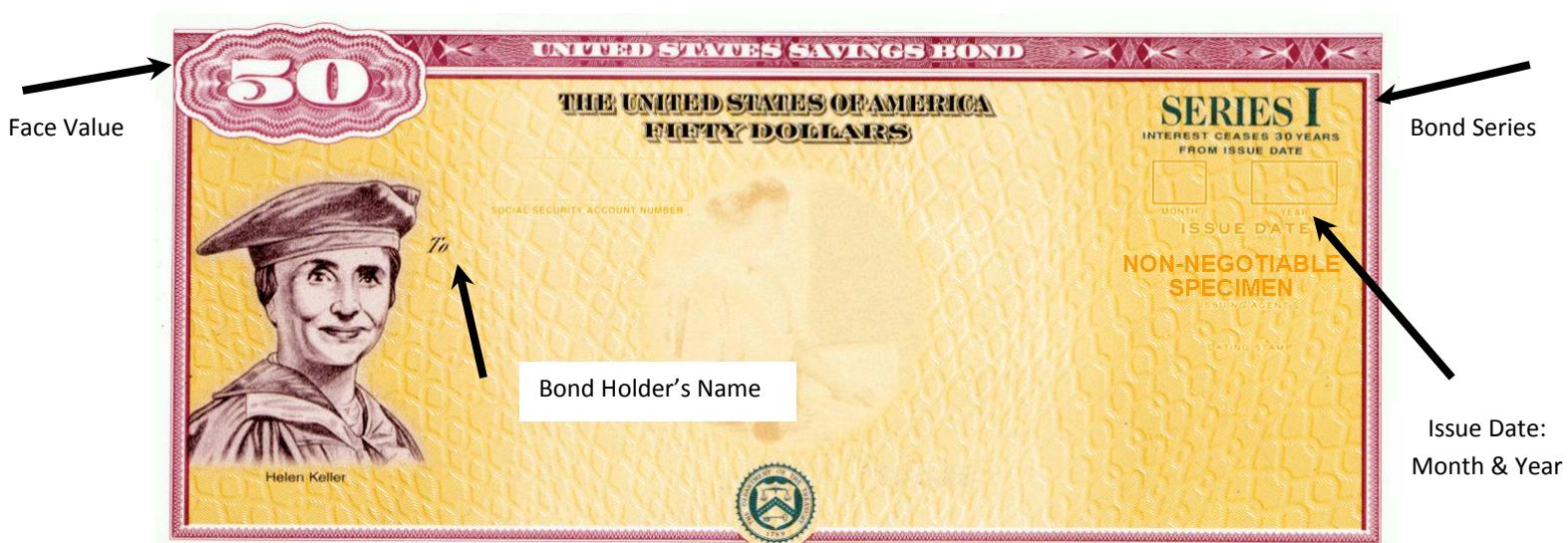


# Series I U.S. Savings Bonds: Save for the future



## What is a Series I U.S. Savings Bond?

- A long term savings instrument for the individual investor guaranteed by the U.S. Government
- An IOU from the U.S. Government to the bond purchaser
- They are purchased at face value (a \$50 bond buys \$50)
- Bonds are available in denominations of \$50, \$100, \$200, \$500, and \$1000 at face value.

## Series I U.S. Savings Bond Interest Rate

- Currently offer 3.36% interest, have no fees and are protected from inflation.
- The interest rate has two components: a fixed rate that stays the same for the life of the bond and a variable semiannual inflation rate.
- The current rate of 3.36% includes a fixed rate of .30% and a variable semiannual inflate rate of 3.06%.
- The rate changes twice a year on May 1<sup>st</sup> and November 1<sup>st</sup>
- Interest accrues from the 1<sup>st</sup> day of the month of purchase and compounds semiannually based on the issue date.
- Bonds continue to earn interest for 30 years or until they are redeemed, whichever comes first.

## Redemption Facts

- Can be redeemed at most banks and credit unions with a valid ID.
- Cannot be redeemed during the first 12 months after purchase unless the purchaser lives in an area affected by a natural disaster.
- If redeemed within the first 5 years, then the 3 most recent month's interest is forfeited.

## Taxes on Earned Interest from U.S. Savings Bonds

- Earned interest is subject to federal income tax but is exempt from state and local income tax.
- Taxes on earned interest can be deferred until redemption or final maturity, whichever comes first.
- Earned interest may qualify for exemption from taxes when redeemed to pay education expenses. Qualified taxpayers may be able to exclude all or part of the interest earned from eligible Savings Bonds issued after 1989 when paying qualified higher education expenses. The bond must be issued in the name of a taxpayer age 24 or older at the time of issuance.
- Under certain circumstances, reissuing of bonds will require the interest earned on the bond to be reported as income in the year the reissue occurs



Check out for more information: <http://ussavingsbonds.gov>

# Series I U.S. Savings Bonds: Save for the future

Version A, Cycle 8

Form **8888**

Department of the Treasury  
Internal Revenue Service

Name(s) shown on return

Tamara White

## Direct Deposit of Refund to More Than One Account

► See instructions below and on back.

► Attach to Form 1040, Form 1040A, Form 1040EZ, Form 1040NR,  
Form 1040NR-EZ, Form 1040-SS, or Form 1040-PR.

OMB No. 1545-0074

**2009**

Attachment

Sequence No. **56**

Your social security number

1115551212

1a	\$30
b Routing number	<input type="text"/> <input type="checkbox"/> c <input type="checkbox"/> Checking <input type="checkbox"/> Savings
d Account number	<input type="text"/>
2a	\$250
b Routing number	<input type="text"/> <input type="checkbox"/> c <input type="checkbox"/> Checking <input checked="" type="checkbox"/> Savings
d Account number	<b>B O N D S</b> <input type="text"/>
3a	
b Routing number	<input type="text"/> <input type="checkbox"/> c <input type="checkbox"/> Checking <input type="checkbox"/> Savings
d Account number	<input type="text"/>
4 Total amount to be directly deposited. Add lines 1a, 2a, and 3a. The total must equal the amount shown on Form 1040, line 73a; Form 1040A, line 46a; Form 1040EZ, line 12a; Form 1040NR, line 68a; Form 1040NR-EZ, line 23a; Form 1040-SS, line 13a; or Form 1040-PR, line 13a.	<b>\$280</b>

## Tax Refund Purchase Details

- Use IRS Form 8888 to purchase bonds with a portion of the tax filer's refund.
- Bond purchases with a tax refund of \$250 or less will be fulfilled with \$50 bonds.
- For purchases of more than \$250, the first \$250 will be fulfilled with \$50 bonds and the fewest possible additional bonds will be issued for the remaining amount
- Each tax filer can purchase up to \$5,000 in bonds in one year
- Bonds can be purchased only in the tax filer's name or if filing a joint return then in both the filer's and spouse's name in 2010.
- In 2011 tax filing season, the IRS will provide more choices.

## Form 8888 Details

- Enter the tax filer's personal account number and routing number on Line 1 and check the appropriate box; enter the amount for deposit in this account
- Enter the routing number (043736881) and the word BONDS for the account number on Line 2
- Check the "Savings" box
- Enter the correct amount for the bond purchase amount
- NOTE:** Tax filer will need to direct deposit the remaining portion of the refund

## Failed Issuance of U.S. Savings Bond

- If the tax filer has a prior tax or other (child support, loan payment) obligation the bond request will not be fulfilled
- Errors in filling out Form 8888 (incorrect routing number account number or checking the wrong box) could result in a delayed or failed bond purchase
- Errors on the return that change the refund amount may result in a failed bond purchase. See instructions on Form 8888 for details.

## Issuance of U.S. Savings Bond

- Bonds will be mailed as paper bond certificates to the address on the tax return and may take up to three weeks to reach the tax filer
- Tax filers may receive their refunds before the bond arrives by mail

## Status of U.S. Savings Bond Purchase

- To check the status of a bond purchase request, the tax filer should go to the IRS website, [www.irs.gov](http://www.irs.gov) by going to "Where's My Refund" or call 1-800-829-1954.
- If the IRS has processed the refund and placed the request for the bond, then the tax filer should contact the Treasury Retail Securities at 1-800-245-2804.

