



National Bond and Trust
P.O. Box 1558
Crown Point, IN 46308

Effective: **January 1, 2011**

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

To: **Payroll Savings Bond Plan Administrators**

This letter is in regard to your company's U.S. Savings Bond program with National Bond and Trust. The U.S. Treasury Department recently announced the termination of paper savings bonds through payroll deduction effective **January 1, 2011**. This change supports the Treasury's long-term plan to issue all securities electronically.

As your organization currently offers a paper payroll savings plan, we ask that you take the necessary steps to discontinue your paper program to coincide with this change. We will continue to process your employees' savings bonds through November, 2010, and will not accept any payroll deductions for your employees after December 7, 2010. We will print November bonds at the end of the month and into the beginning of December; we will then provide you with a check made out to your company for any remaining balances in the employees' accounts, if applicable, with backup. We will continue to provide your employees individual assistance through our call center at (800)-426-9314 through January, 2011. Your employees participating in the Bond Continuation Life Insurance program will be receiving instruction directly from the insurance carrier on how to continue this valuable benefit after final deductions have been processed.

While paper payroll savings bonds will no longer be available, your employees will still have the opportunity to invest in savings bonds through TreasuryDirect. This convenient and secure web-based system allows your employees to purchase, manage, and redeem electronic savings bonds 24/7, at work or from home. We encourage your employees to continue the payroll deduction savings bonds program with TreasuryDirect. After your employees establish an account, you, the employer, can fund each employee's account through Direct Deposit.

For your convenience, we have established an *Employer Hotline* to guide you through this process. We will be available to discuss the advantages of TreasuryDirect, as well as guide you through the transition. In addition, you can gain information such as a list of *Frequently Asked Questions on this change*, *employee announcement letter about this change*, and *instructions for establishing a TreasuryDirect account*, at www.frb services.org/payroll savings. If you have any questions regarding the discontinuation of the paper savings bond program, contact us at (800) 426-9314 option 4 or email us at employersupport@nbtco.com.

National Bond and Trust would like to thank you for supporting your employees' savings goals through our program. In order to ensure a smooth transition, on behalf of the U.S. Treasury please complete and return the enclosed response form and provide us with your final date of deductions.

Sincerely,

National Bond and Trust