

PART 347—REGULATIONS GOVERNING RETIREMENT SAVINGS BONDS

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AUTHORITY: 5 U.S.C. 301; 12 U.S.C. 90; 31 U.S.C. 3105.

SOURCE: 79 FR 74024, Dec. 15, 2014, unless otherwise noted.

Subpart A—General Information

§ 347.0 Offering of securities.

The Secretary of the Treasury (the Secretary), under the authority of Title 31, Chapter 31, offers retirement savings bonds to the IRA custodian for Treasury’s retirement savings program and to the Auto-IRA custodians for certain state Auto-IRA programs. The nonmarketable bonds are issued to and held by the custodians, on behalf of

participants, in Treasury’s program and state programs. This offering will continue until terminated by the Secretary or the Secretary’s designee. Treasury’s Fiscal Assistant Secretary is authorized to act on behalf of the Secretary on all matters contained in these regulations. The Commissioner of the Fiscal Service, as designee of the Secretary, is delegated the responsibility to administer this part through the Bureau of the Fiscal Service (Fiscal Service).

[82 FR 6245, Jan. 19, 2017]

§ 347.1 Applicability.

The regulations in this part apply to retirement savings bonds issued, on behalf of participants, to the IRA custodian for Treasury’s retirement savings program and to the Auto-IRA custodians for state Auto-IRA programs.

[82 FR 6246, Jan. 19, 2017]

§ 347.2 Official agencies.

(a) Fiscal Service is responsible for administering Treasury’s retirement savings program and for issuing the retirement savings bonds to the IRA custodian for Treasury’s retirement savings program and to the Auto-IRA custodians for certain state Auto-IRA programs. The states are responsible for administering their Auto-IRA retirement savings programs, including the designation of Auto-IRA custodians to perform all operational responsibilities associated with the retirement savings bonds issued by Fiscal Service.

(b) Communications concerning transactions relating to an individual’s IRA should be addressed to the appropriate custodian.

[82 FR 6246, Jan. 19, 2017]

§ 347.3 Definitions.

(a) *Auto-IRA* means an individual retirement account for or opened on behalf of a participant in a state retirement savings program (whether or not the program provides for automatic enrollment).

(b) *State Auto-IRA program* means a state Auto-IRA retirement savings program.

(c) *IRA* means an individual retirement account.

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(d) *Custodian* means a trustee or custodian of a Roth IRA or traditional IRA.

(e) *State* means any of the 50 states, the District of Columbia, Guam, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, or certain of their political subdivisions.

(f) *Auto-IRA custodian* means an entity designated by a state (including, for the purpose of these regulations, political subdivisions of states) to act as the trustee or custodian for Auto-IRAs, in the form of Roth IRAs or traditional IRAs, for or opened on behalf of participants in a state Auto-IRA program.

(g) *Retirement savings bond*, as used in this part, means an interest-bearing electronic United States savings bond issued to an Auto-IRA or IRA custodian.

(h) *IRA custodian* means an entity designated by Fiscal Service to act as a custodian for Roth IRAs opened by or on behalf of participants in Treasury's retirement savings program.

(i) *Individual* means a person eligible to have an IRA in Treasury's retirement savings program or in a state Auto-IRA program.

(j) *Participant* means an individual who has an IRA in Treasury's retirement savings program or in a state Auto-IRA program.

(k) *Roth IRA* means an individual retirement account defined under 26 U.S.C. 408A.

(l) *Treasury* means the United States Department of the Treasury.

(m) *Secretary* means the Secretary of the Treasury.

[79 FR 74024, Dec. 15, 2014, as amended at 82 FR 6246, Jan. 19, 2017]

Subpart B—Treasury's Retirement Savings Program

§ 347.10 Authorized form of registration.

(a) Retirement savings bonds are issued to the IRA custodian for Treasury's retirement savings program. No other registrations under this subpart are permitted.

(b) In the event Fiscal Service designates a successor IRA custodian, Fiscal Service may reissue retirement

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savings bonds held by the predecessor custodian to the successor custodian.

[82 FR 6246, Jan. 19, 2017]

§ 347.11 Crediting of retirement savings bond.

Each retirement savings bond issued to the IRA custodian must be credited to a single Roth IRA established through Treasury's retirement savings program with the custodian.

[82 FR 6246, Jan. 19, 2017]

§ 347.12 Annual additions to retirement savings bond.

The amount that initially may be contributed or added to a retirement savings bond in a calendar year by the IRA custodian on behalf of any participant is limited by the applicable annual contribution limits provided under the Internal Revenue Code and regulations. The total value of a retirement savings bond that may be held by the IRA custodian in an IRA on behalf of any participant shall not exceed \$15,000.

[82 FR 6246, Jan. 19, 2017]

§ 347.13 Individual additions to retirement savings bond.

Fiscal Service is authorized to establish minimum amounts for initial and additional contributions to a retirement savings bond under this subpart.

[82 FR 6246, Jan. 19, 2017]

§ 347.14 Payment (redemption).

Payment of retirement savings bonds will be made to the IRA custodian upon the custodian's submission of a request for redemption to Fiscal Service. The custodian shall request the redemption of all retirement savings bonds at their respective maturity. The custodian shall request the full or partial redemption of a bond held on behalf of a participant upon the request of the participant or other authorized person entitled to amounts in the IRA. Retirement savings bond redemptions will be rounded to the nearest one cent.

[82 FR 6246, Jan. 19, 2017]

§ 347.15 Computation of interest.

Retirement savings bonds under this subpart earn interest at the same annual percentage rate as securities issued to the Government Securities Investment Fund (G Fund) in the Thrift Savings Plan for federal employees. The Secretary calculates the G Fund interest rate pursuant to 5 U.S.C. 8438(e)(2). The retirement savings bond interest rate compounds daily at 1/360 of the annual percentage rate. Retirement savings bonds will cease to accrue interest on the date of their maturity.

[82 FR 6246, Jan. 19, 2017]

§ 347.16 Maturity.

The maturity date for retirement savings bonds is indeterminate and may be different for each bond issued, but shall not exceed the sum of an original maturity period of 20 years and an extended maturity period of 10 years. A retirement savings bond purchased by the IRA custodian on behalf of a participant will mature at the earlier of 30 years from the date the bond is first issued to the custodian on behalf of the participant or when its value reaches \$15,000.

[82 FR 6246, Jan. 19, 2017]

Subpart C—Auto-IRA Programs

SOURCE: 82 FR 6247, Jan. 19, 2017, unless otherwise noted.

§ 347.30 Plan requirements for State Auto-IRA programs.

(a) *Authorized form of registration.* Retirement savings bonds are issued to Auto-IRA custodians for state Auto-IRA programs. No other registrations under this subpart are permitted.

(b) *Documentation.* A state Auto-IRA program must provide documentation to Fiscal Service annually, in a form and manner acceptable to Fiscal Service, addressing the following topics:

(1) *Administration*—servicing of the retirement savings bonds, such as account maintenance, recordkeeping, and establishment of procedures for automatic payroll direct deposit contributions (or other funding means per-

mitted under state Auto-IRA programs);

(2) *Account monitoring*—tracking and, when applicable, redeeming and reallocating retirement savings bond holdings (which may include investment diversification strategies) no later than when a retirement savings bond that may be held by the Auto-IRA custodian on behalf of a participant in a state Auto-IRA program reaches the \$15,000 maximum dollar threshold or 30 years, whichever occurs first;

(3) *Ability to transfer*—addressing how the state Auto-IRA program enables participants, at their discretion, to redeem their retirement savings bonds prior to maturity and transfer their retirement savings bond proceeds to another investment available in the State Auto-IRA program or to another provider, without imposing unreasonable restrictions on voluntary investment diversification (which might occur through a transfer within or outside of a state Auto-IRA program);

(4) *Withdrawals*—addressing how the state Auto-IRA program enables participants, at their discretion, to make reasonable withdrawals from their Auto-IRAs;

(5) *Consumer protection*—addressing consumer protections in the program, including disclosures provided to participants;

(6) *Costs of administration*—describing any fees or other costs or expenses passed on to or otherwise borne by participants under the state Auto-IRA program (e.g., no more than reasonable administrative, custodial, asset management, or other fees, costs, or expenses);

(7) *Oversight*—addressing state Auto-IRA program oversight of Auto-IRA custodians and describing any protections in place for participants' funds invested in retirement savings bonds, including information relating to the protection of participants' funds in the event that the Auto-IRA custodian files for bankruptcy or otherwise experiences financial stress;

(8) *Pooling*—prohibiting the inclusion of retirement savings bonds as a component of another investment or asset category (such as a mutual fund or target-date fund);

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(9) *Default investment*—obtaining, if applicable, Fiscal Service's further consent before any use of retirement savings bonds as a default, sole, or mandatory investment, even if temporary;

(10) *Consumer education*—describing plans to provide financial education to participants; and

(11) *Certification*—requiring a statement signed by an authorized senior official certifying that the documentation provided to Fiscal Service is accurate and complete, and that procedures are in place to timely notify Fiscal Service of any material changes in the future.

(c) *Successor custodian*. In the event a state Auto-IRA program designates a successor Auto-IRA custodian, that program may request that Fiscal Service reissue the retirement savings bonds held by the predecessor custodian to the successor custodian.

§ 347.31 Crediting of retirement savings bond.

Each retirement savings bond issued to an Auto-IRA custodian must be credited to an IRA under the state Auto-IRA program with the custodian.

§ 347.32 Annual additions to retirement savings bond.

The amount that initially may be contributed or added to a retirement savings bond in a calendar year by an Auto-IRA custodian on behalf of any participant is limited by the applicable annual contribution limits provided under the Internal Revenue Code and regulations. The total value of a retirement savings bond that may be held by an Auto-IRA custodian in an IRA on behalf of any participant shall not exceed \$15,000 for each state Auto-IRA program.

§ 347.33 Individual additions to retirement savings bond.

Fiscal Service is authorized to establish minimum amounts for initial and additional contributions to a retirement savings bond under this subpart.

§ 347.34 Payment (redemption).

The issuance and redemption of a retirement savings bond is conditioned on an Auto-IRA custodian certifying

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compliance with these regulations and with any additional program instructions identified by Fiscal Service that pertain to that bond.

(a) *Payment upon maturity*. Payment of retirement savings bonds will be made to an Auto-IRA custodian upon the custodian's submission of a request for redemption to Fiscal Service. The custodian shall request the redemption of all retirement savings bonds at their respective maturity. The custodian shall request the full or partial redemption of a bond held on behalf of a participant upon the request of the participant or other authorized person entitled to amounts in the IRA. Retirement savings bond redemptions will be rounded to the nearest one cent.

(b) *Payment upon call*. Final interest on any called bonds will be paid with the principal (amount contributed minus withdrawals taken) at redemption and rounded to the nearest one cent.

§ 347.35 Computation of interest.

Retirement savings bonds under this subpart earn interest at the same annual percentage rate as securities issued to the Government Securities Investment Fund (G Fund) in the Thrift Savings Plan for federal employees. The Secretary calculates the G Fund interest rate pursuant to 5 U.S.C. 8438(e)(2). The retirement savings bond interest rate compounds daily at 1/360 of the annual percentage rate. Retirement savings bonds will cease to accrue interest on the date of their maturity or call.

§ 347.36 Maturity.

The maturity date for retirement savings bonds is indeterminate and may be different for each bond issued, but shall not exceed the sum of an original maturity period of 20 years and an extended maturity period of 10 years. A retirement savings bond purchased by the Auto-IRA custodian on behalf of a participant will mature at the earlier of 30 years from the date the bond is first issued to the custodian on behalf of the participant or when its value reaches \$15,000.

§ 347.37 Reservation of rights.

The Commissioner of the Fiscal Service may decide, in his or her sole discretion, to take any of the following actions with respect to the retirement savings bonds offered under this subpart. Such actions are final. Specifically, the Commissioner reserves the right under this subpart:

- (a) As a condition of Fiscal Service's issuance of retirement savings bonds to an Auto-IRA custodian under a state Auto-IRA program, to require a state Auto-IRA program to provide information to Fiscal Service concerning the state Auto-IRA program and retirement savings bonds offered under this subpart, including a certification by a senior official to the completeness and accuracy of the information requested;
- (b) To refuse to issue retirement savings bonds to an Auto-IRA custodian in any particular case or class of cases;
- (c) To suspend or cease offering retirement savings bonds to an Auto-IRA custodian;
- (d) To call for redemption of any outstanding retirement savings bond; or
- (e) To determine any appropriate remedy under this subpart.

Subpart D—Miscellaneous Provisions for Retirement Savings Bonds

SOURCE: 82 FR 6248, Jan. 19, 2017, unless otherwise noted.

§ 347.40 Waiver of regulations.

The Commissioner of the Fiscal Service may waive or modify any provision or provisions of the regulations in this part. He or she may do so in any particular case or class of cases for the convenience of the United States or in order to relieve any person or persons of unnecessary hardship:

- (a) If such action would not be inconsistent with law or equity;
- (b) If it does not impair any material existing rights; and
- (c) If he or she is satisfied that such action would not subject the United States to any substantial expense or liability.

§ 347.41 Additional requirements; bond of indemnity.

The Commissioner of the Fiscal Service may require:

- (a) Such additional evidence to support a requested action as he or she may consider necessary or advisable; or
- (b) A bond of indemnity, with or without surety, in any case in which he or she may consider such a bond necessary for the protection of the interests of the United States.

§ 347.42 Supplements, amendments, or revisions.

The Secretary may at any time, or from time to time, prescribe additional, supplemental, amendatory, or revised rules and regulations governing retirement savings bonds.

PART 348—REGULATIONS GOVERNING DEPOSITORY COMPENSATION SECURITIES

Sec.

- 348.0 Offering of securities.
- 348.1 Description of securities.
- 348.2 Redemption/call/reinvestment.
- 348.3 Reservations.

AUTHORITY: 31 U.S.C. 3121; 5 U.S.C. 301.

SOURCE: 68 FR 41267, July 11, 2003, unless otherwise noted.

§ 348.0 Offering of securities.

The Secretary of the Treasury (the Secretary) under authority of Title 31, Chapter 31, offers, at par, Depository Compensation Securities (securities) to financial agents of the Department of the Treasury. The securities are offered to financial agents of the Department of the Treasury designated under federal law (including, but not limited to: 12 U.S.C. 90, 265–266, 1464(k), and 1789a; 31 U.S.C. 3303) which have executed a Depository, Financial Agency, and Collateral Agreement satisfactory to the Secretary, and are authorized to provide essential banking services to the Department of the Treasury. The securities will be issued in an amount not to exceed, in any case, the amount for which the financial agents are authorized. The securities are non-marketable Treasury securities that will be utilized to compensate financial agents, in whole or in part, for services