

§ 359.18 Is the determination of the Secretary on rates and values final?

The Secretary's determination of fixed rates of return, semiannual inflation rates, composite rates, and savings bonds redemption values is final and conclusive.

§ 359.19 How is interest calculated?

We base all calculations of interest on a \$25 unit. We use the value of this unit to determine the value of bonds in higher denominations. The effect of rounding off the value of the \$25 unit increases at higher denominations. This can work to your slight advantage or disadvantage, depending on whether we round the value up or down.³

§§ 359.20–359.24 [Reserved]**Subpart B—Definitive Series I Savings Bonds****§ 359.25 What were the denominations and prices of definitive Series I savings bonds?**

Prior to January 1, 2012, definitive Series I savings bonds were issued in denominations of \$50, \$75, \$100, \$200, \$500, \$1,000, \$5,000, and \$10,000. These definitive bonds were sold at par; that is, the purchase price was the same as the denomination (face value).

[76 FR 66856, Oct. 28, 2011]

§ 359.26 When are definitive Series I savings bonds validly issued?

A definitive bond is validly issued when it is registered as provided in part 360, and when it bears an issue date and the validation indicia of an authorized issuing agent.

³For example: A composite rate of 2.57% will result in a newly purchased \$25 unit increasing in value after six months to \$25.32, when rounded to the nearest cent. Thus, a \$5,000 bond purchased at the same time as the \$25 unit will be worth \$5,064 after six months ($[\$5,000 \text{ divided by } \$25] \times \$25.32 = \$5,064$.) In contrast, if it applied directly to a \$5,000 bond, the rate would render a value of \$5,064.25 after six months, a difference of 25 cents. (This example does not include any discussion of the three-month interest penalty that applies if you redeem a bond less than five years after its issue date.)

§ 359.27 What is the issue date of a definitive Series I savings bond?

The issue date of a definitive bond is the first day of the month in which an authorized issuing agent received payment of the issue price.

[76 FR 66856, Oct. 28, 2011]

§ 359.28 Are taxpayer identification numbers (TINs) required for the registration of definitive Series I savings bonds?

The registration of a definitive Series I savings bond must include the TIN of the owner or first-named co-owner. If the bond was purchased as a gift or award and the owner's TIN is not known, the TIN of the purchaser must be included in the registration of the bond.

[71 FR 46857, Aug. 15, 2006, as amended at 76 FR 66856, Oct. 28, 2011]

§§ 359.29–359.33 [Reserved]**§ 359.34 May I purchase definitive Series I savings bonds over-the-counter?**

Effective January 1, 2012, Treasury discontinued the over-the-counter sale of definitive Series I savings bonds.

[76 FR 66856, Oct. 28, 2011]

§ 359.35 May I purchase definitive Series I savings bonds through a payroll savings plan?

Treasury discontinued the issuance of definitive Series I savings bonds through a payroll savings plan:

(a) Effective October 1, 2010, for United States government employees, and

(b) Effective January 1, 2011, for all other employees.

[75 FR 52461, Aug. 26, 2010]

§ 359.36 May I purchase definitive Series I savings bonds through employee thrift, savings, vacation, and similar plans?

You may purchase bonds registered in the names of employee plans in authorized denominations through a designated Federal Reserve Bank, as provided in part 360 of this chapter.