

12 Good Reasons For Buying Bonds

1 COMPETITIVE INTEREST RATES

Series EE U.S. Savings Bonds held five years or longer earn market-based interest or a guaranteed minimum rate, whichever is higher, compounded semiannually. Semiannual rates are announced on May 1 and November 1.

2 GUARANTEED MINIMUM RETURN

Once you have held your March 1993 or later* EE Bond for six months it is guaranteed a minimum annual rate of four percent, compounded semiannually. Interest is added to the value of your Bond every month.

3 TAX EXEMPTIONS

Interest earned on U.S. Savings Bonds is exempt from all state and local income taxes.

4 DEFERRED REPORTING OF INTEREST FOR FEDERAL TAXES

Interest earned is not subject to Federal income taxes until the Bonds are cashed or reach final maturity in 30 years. Taxes may be deferred further if Bonds are exchanged for Series HH Bonds.

5 PEACE OF MIND IN RETIREMENT

You can cash Savings Bonds to supplement your retirement income. Or, you can produce regular income by exchanging Series EE Savings Bonds for HH Bonds, which pay interest semiannually. The annual yield on HH Bonds issued March 1993 or later* is four percent, taxable annually but exempt from State and local income taxes.

6 CASH ON DEMAND

One of the best benefits of U. S. Savings Bonds is cash when you need it. You can cash Bonds any time after six months from purchase. Interest accrues monthly for 18 years and there are no penalties associated with cashing Bonds before maturity.

7 COLLEGE COSTS MADE EASIER

U.S. Savings Bonds may provide tax savings when used to finance higher education. See Treasury Department publication "U.S. Savings Bonds for Education" for details.

8 EASY TO BUY

You can buy Series EE Savings Bonds through the Payroll Savings Plan where you work or through over-the-counter purchases or the Bond-a-month plan where you bank.

9 STRENGTHENING AMERICA

Buying U.S. Savings Bonds is patriotic. You earn interest while you help your country. Savings Bonds sales reduce borrowing costs for the Treasury and taxpayers.

10 NO COMMISSIONS OR MAINTENANCE FEES

You pay no fee or commission to buy or redeem Savings Bonds.

11 GUARANTEED SAFE

If lost, stolen or destroyed, U.S. Savings Bonds can be replaced, without charge. Remember to keep a record of the serial numbers of your Bonds.

12 UNSURPASSED RELIABILITY

U.S. Savings Bonds are backed by the full faith and credit of the United States.

