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COMMISSIONER OF ADMINISTRATION

State of Louisiana

Division of Administration

Office of State Uniform Payroll

October 8, 2010

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2011-14

TO: All ISIS HR Paid Agencies

FROM: Andrea P. Hubbard
Director

SUBJECT: U.S. Savings Bond Program

The U.S. Department of Treasury is phasing out the issuance of paper savings bonds through traditional employer-sponsored payroll saving plans effective January 1, 2011. National Bond and Trust (NBT), the company that the State contracts with for our bond program will no longer be able to provide paper bonds to our employees. The Office of State Uniform Payroll (OSUP) sent out a listserv message on August 18, 2010 advising agencies that all bond deductions would stop after the October 22, 2010 payday. After further discussions with our vendor, NBT, we have changed that date to November 19, 2010. Employees who wish to discontinue their savings bond payroll deduction prior to this date may contact NBT at 1-800-426-9314 to stop their deduction. Any balance left in an employee's account with NBT after November will be returned to OSUP to be refunded to the employee. OSUP will process refunds directly to employees through ISIS HR, which will be included with their regular payroll payment.

Employees participating in the Bond Continuation Life Insurance program will be receiving instructions directly from the insurance carrier, Transamerica, on how to continue this benefit after NBT processes the final deductions. The premiums for this insurance will no longer be payroll deducted. Employees can contact Transamerica directly at 1-800-238-4302.

Employees who wish to continue purchasing savings bonds will have the following options:

- Purchase paper bonds directly from a financial institution still authorized to provide paper bonds to customers.
- Purchase electronic bonds through TreasuryDirect, the U.S. Treasury's on-line bond program.

If employees would like to have a portion of their paycheck sent to their account at TreasuryDirect, they can set up a direct deposit (ACH), via an "Other" bank detail, in ISIS HR. In order to set up an "Other" bank detail for a savings bond purchase employees must:

- Open an account with TreasuryDirect at http://www.treasurydirect.gov.
- Set up an "Other" bank detail on-line through LEO, using the routing number (RTN) and account number provided by TreasuryDirect.
- Or complete a Direct Deposit form (OSUP/F12B) and turn the form in to their Employee Administration office for entry into ISIS HR.

Employees control when and what denomination of bonds to purchase through the TreasuryDirect website. The savings bond agreements are strictly between the employee and TreasuryDirect. OSUP will have no involvement in these transactions except to forward the money to the employee's TreasuryDirect account. TreasuryDirect also allows other means of purchasing bonds other than through payroll ACH transfer. Employees are encouraged to read all information available on the TreasuryDirect's website.

Employees and agencies should be aware of the following information prior to setting up a TreasuryDirect account as an "Other" bank detail:

- Since this is an "Other" bank detail, funds are allocated to this account before the ISIS HR system calculates the "Main" bank transfer amount. This means that any off-cycle payment would also include a transfer to all "Other" bank detail accounts prior to calculating the "Main" bank transfer.
- Dollar returns from this "Other" bank detail, like all dollar returns, will be reissued/replaced as a check and mailed to the employee. It is not possible to resend a dollar return as a transfer back to the employee's TreasuryDirect account.

TreasuryDirect has provided a brochure that can be given to employees to explain the TreasuryDirect account and program. This brochure is attached below. OSUP has also drafted a letter that should be given to employees explaining this change and providing their agency contact information for employees to call with questions. Agencies are reminded to not instruct employees to contact OSUP directly. Agencies can obtain a list of employees who currently have savings bond deductions by running the Recurring/Additional Payments Report (ZP74) in ISIS HR and using wage type 5C49 and 5E49.

The attached Emergency Rule was promulgated to accommodate this change and to remain in compliance with Louisiana's law regarding the State's Savings Bond Plan. The Emergency Rule will be published in the October 20, 2010 edition of the Louisiana Register.

Questions should be directed to a member of the OSUP Benefits and Financial Administration Unit by email at the following address: _DOA-OSUP-BFA@la.gov or by phone at (225):

Brandy Boyd	342-5354	Desiree Jefferson	342-5377
Michelle Richmond	342-5357	Jodi Bullock	342-5345

APH/BPB:ph

Attachment: TreasuryDirect Employee Brochure
Sample Letter to Employees
Emergency Rule for Savings Bond Plan