

(b) Members of the Committee may designate an alternate, who shall serve as a member of the Committee whenever the regular member is unable to attend any meeting of the Committee. The alternate member may be authorized to act for the regular member in all appropriate matters relating to the Committee. In the case of an executive or military department, a Deputy Secretary or an Under Secretary may be designated as an alternate member. In the case of any other Federal agency, the alternate member shall be designated from among the officials thereof of appropriate rank.

(c) The Chairman will designate the Federal Payroll Savings Officer of the Savings Bonds Division, Department of the Treasury, to act as his liaison officer with members of the Committee.

SEC. 2. The Committee shall perform the following functions and duties:

(a) Formulating and presenting to the Federal agencies a plan of organization and sales promotion whereby the Payroll Savings Plan and Military Bond Allotment Plan, hereinafter referred to as the Plans, will be made available to all uniformed and civilian personnel of the government for the purchase of Savings Bonds, and whereby all such personnel will be urged to participate.

(b) Assisting the Federal agencies in installing the Plans and in solving any special problems that may develop in connection therewith.

(c) Acting as a clearinghouse for Federal agencies in compiling and disseminating such statistics and information with respect to the implementation and sales promotion of the Plans as may be appropriate.

(d) Recommending to the Federal agencies any methods for improvements in the program adopted pursuant to the Plans.

(e) The Committee will meet, and will be available to meet with the President, at least once each calendar year and at such other times as may be necessary to carry out its responsibilities.

SEC. 3. Each Federal agency shall institute and put into operation, as soon as practicable, a plan of organization and sales promotion recommended by the Committee, with such modifications as particular circumstances may render advisable.

SEC. 4. As used in this Order, the term "Federal agencies" means departments, agencies, and establishments of the Executive branch of the Government.

SEC. 5. This Order supersedes Executive Order No. 11532 of June 2, 1970.

JIMMY CARTER.

TRANSITIONAL RULE

Pub. L. 97-248, title II, §289(b), Sept. 3, 1982, 96 Stat. 57, provided that for a savings bond issued before the 30th day after Sept. 3, 1982, for purposes of sections 757c and 757c-2 of former Title 31, the minimum yield for the period held is the scheduled investment yield for the period in effect on the 30th day.

§ 3106. Retirement and savings bonds

(a) With the approval of the President, the Secretary of the Treasury may issue retirement and savings bonds of the United States Government and may buy, redeem, and make refunds under section 3111 of this title. The proceeds from the bonds shall be used for expenditures authorized by law. Retirement and savings bonds may be issued only on a discount basis. The maturity period of the bonds shall be at least 10 years from the date of issue but not more than 30 years from the date of issue. The difference between the price paid and the amount received on redeeming a bond is interest under the Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.).

(b) With the approval of the President, the Secretary may allow owners of retirement and

savings bonds to keep the bonds after maturity and continue to earn interest on them at rates that are consistent with the rate of investment yield provided by retirement and savings bonds.

(c) Section 3105(c)(1)–(5) of this title applies to this section. Sections 3105(c)(6) and (d) and 3126 of this title apply to this section to the extent consistent with this section. The Secretary may prescribe the maximum amount of retirement and savings bonds issued under this section in a year that may be held by one person. However, the maximum amount shall be at least \$3,000.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 941; Pub. L. 97-452, §1(8), Jan. 12, 1983, 96 Stat. 2468; Pub. L. 99-514, §2, Oct. 22, 1986, 100 Stat. 2095.)

HISTORICAL AND REVISION NOTES  
1982 ACT

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3106(a) .....	31:757c-2(a)(1st sentence), (b)(1)(1st sentence), (c)(1st sentence).	Sept. 24, 1917, ch. 56, 40 Stat. 288, §22A(a)-(c)(1st sentence), (d); added Nov. 8, 1966, Pub. L. 89-800, §5, 80 Stat. 1514.
3106(b) .....	31:757c-2(b)(1)(2d sentence words after 1st comma), (2).	
3106(c) .....	31:757c-2(a)(last sentence), (b)(1)(2d sentence words before 1st comma, 3d, last sentences), (d).	

In subsection (a), the words "In addition to the United States savings bonds authorized to be issued under section 757c of this title" are omitted as surplus. The words "through the United States Postal Service or otherwise" are omitted as surplus and unnecessary because of 39:411. The words "and may buy, redeem, and make refunds under section 3111 of this title" are added because of the restatement. The words "and to retire any outstanding obligations of the United States bearing interest or issued on a discount basis" are omitted as unnecessary because of section 3111 of the revised title. The words "as the terms thereof may provide" are omitted because of the restatement.

In subsection (b), the word "conditions" is substituted for "terms" for consistency in the revised title and with other titles of the United States Code. The words "by regulations" are omitted as unnecessary. The words "at their option" are omitted as surplus.

In subsection (c), the words "Section 3105(c)(1)–(5) of this title applies to this section" are substituted for 31:757c-2(a)(last sentence) and (b)(1)(2d sentence words before 1st comma, 3d sentence) to eliminate unnecessary words. The words "by regulations" are omitted as unnecessary.

1983 ACT

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3106(b) .....	31 App.:757c-2 (b)(1) (2d sentence).	Sept. 3, 1982, Pub. L. 97-248, §289(a)(2), 96 Stat. 571.

AMENDMENTS

1986—Subsec. (a). Pub. L. 99-514 substituted "Internal Revenue Code of 1986" for "Internal Revenue Code of 1954".

1983—Subsec. (b). Pub. L. 97-452 struck out provisions that the issue price of retirement and savings bonds and the conditions under which they could be redeemed could give an investment yield of not more than 5 percent a year compounded semiannually.

**§ 3107. Increasing interest rates and investment yields on retirement bonds**

With the approval of the President, the Secretary of the Treasury may increase by regulation the interest rate or investment yield on an offering of bonds issued under this chapter that are described in sections 405(b) and 409(a) of the Internal Revenue Code of 1954 (26 U.S.C. 405(b), 409(a)), as in effect before the enactment of the Tax Reform Act of 1984. The increased yield shall be for interest accrual periods specified in the regulations so that the interest rate or investment yield on the bonds for those periods is consistent with the interest rate or investment yield on a new offering of those bonds.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 941; Pub. L. 98-369, div. A, title IV, § 491(d)(59), July 18, 1984, 98 Stat. 852.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3107 .....	31:752(last par.).	Sept. 24, 1917, ch. 56, 40 Stat. 288, §1(last par.); added Dec. 24, 1980, Pub. L. 96-595, §2(a), 94 Stat. 3465.

The words "interest rate" are added for consistency in the chapter and with 26:405(b) and 409(a).

REFERENCES IN TEXT

Sections 405(b) and 409(a) of the Internal Revenue Code of 1954 (26 U.S.C. 405(b), 409(a)), referred to in text, were repealed by Pub. L. 98-369, div. A, title IV, § 491(a), (b), July 18, 1984, 98 Stat. 848.

Enactment of the Tax Reform Act of 1984, referred to in text, means the date of enactment of division A of Pub. L. 98-369, which was approved July 18, 1984.

AMENDMENTS

1984—Pub. L. 98-369 inserted “, as in effect before the enactment of the Tax Reform Act of 1984” after “(26 U.S.C. 405(b), 409(a))”.

EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98-369 applicable to obligations issued after Dec. 31, 1983, see section 491(f)(1) of Pub. L. 98-369, set out as a note under section 62 of Title 26, Internal Revenue Code.

**§ 3108. Prohibition against circulation privilege**

An obligation issued under sections 3102-3104(a)(1) and 3105-3107 of this title may not bear the circulation privilege.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 942.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3108 .....	31:753(d)(1st sentence).	Sept. 24, 1917, ch. 56, 40 Stat. 288, §18(d)(1st sentence); added Mar. 3, 1919, ch. 100, §1, 40 Stat. 1310.
	31:757c(d)(last sentence).	Sept. 24, 1917, ch. 56, 40 Stat. 288, §22(d)(last sentence); added Feb. 4, 1935, ch. 5, §6, 49 Stat. 21; restated Feb. 19, 1941, ch. 7, §3, 55 Stat. 8.
	31:757c-2(c)(last sentence).	Sept. 24, 1917, ch. 56, 40 Stat. 288, §22A(c)(last sentence); added Nov. 8, 1966, Pub. L. 89-800, §5, 80 Stat. 1515.
	31:758.	Sept. 24, 1917, ch. 56, §7(1st sentence), 40 Stat. 291.

The reference in 31:758 to certificates authorized under 31:757 is omitted because the authority under

31:757 was ended by section 2(b)(3) of the Public Debt Act of 1941 (ch. 7, 55 Stat. 7).

**§ 3109. Tax and loss bonds**

(a) The Secretary of the Treasury may issue tax and loss bonds of the United States Government and may buy, redeem, and make refunds under section 3111 of this title. The proceeds of the tax and loss bonds shall be used for expenditures authorized by law. Tax and loss bonds are nontransferrable except as provided by the Secretary, bear no interest, and shall be issued in amounts needed to allow persons to comply with section 832(e) of the Internal Revenue Code of 1986 (26 U.S.C. 832(e)). The Secretary may prescribe the amount of tax and loss bonds and the conditions under which the bonds will be issued as required by section 832(e).

(b) For a taxable year in which amounts are deducted from the mortgage guaranty account referred to in section 832(e)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 832(e)(3)), an amount of tax and loss bonds bought under section 832(e)(2) of the Internal Revenue Code of 1986 (26 U.S.C. 832(e)(2)) shall be redeemed for the amount deducted from the account. The amount redeemed shall be applied as necessary to pay taxes due because of the inclusion under section 832(b)(1)(E) of the Internal Revenue Code of 1986 (26 U.S.C. 832(b)(1)(E)) of amounts in gross income. The Secretary also may prescribe additional ways to redeem the bonds.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 942; Pub. L. 99-514, § 2, Oct. 22, 1986, 100 Stat. 2095.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3109(a) .....	31:757c-3(1st-3d sentences).	Sept. 24, 1917, ch. 56, 40 Stat. 288, §26; added Jan. 2, 1968, Pub. L. 90-240, §5(f), 81 Stat. 778.
3109(b) .....	31:757c-3(4th, last sentences).	

In subsection (a), the words "and may buy, redeem, and make refunds under section 3111 of this title" are substituted for "and to retire any outstanding obligations of the United States issued under this Act" for consistency. The words "subject to the limitations imposed by section 757b of this title" are omitted as surplus. The word "conditions" is substituted for "terms and conditions" because it is inclusive.

AMENDMENTS

1986—Pub. L. 99-514 substituted "Internal Revenue Code of 1986" for "Internal Revenue Code of 1954" wherever appearing.

**§ 3110. Sale of obligations of governments of foreign countries**

(a) With the approval of the President, the Secretary of the Treasury may sell obligations of the government of a foreign country when the obligations were acquired under—

- (1) the First Liberty Bond Act and matured before June 16, 1947;
- (2) the Second Liberty Bond Act and matured before October 16, 1938; or
- (3) section 7(a) of the Victory Liberty Loan Act.

(b) The Secretary may prescribe the conditions and frequency for receiving payment under