

## Fiscal Service, Treasury

## § 360.20

effect, that John Jones' account be credited to show that he is the owner of a Series I bond in the denomination of \$100 (face amount) bearing an issue date of December 1, 1998.

(3) *Irrevocable right of withdrawal.* Each participating employee has an irrevocable right to request and receive from the trustee all assets credited to the employee's account (or their value, if the employee prefers) without regard to any conditions other than the loss or suspension of the privilege of participating further in the plan. A plan may limit or modify such right in any manner required for qualification of the plan under section 401 of the Internal Revenue Code of 1986, as amended (26 U.S.C. 401).

(4) *Rights of beneficiary.* Upon the death of an employee, his or her beneficiary shall have the absolute and unconditional right to demand and receive from the trustee all assets credited to the account of the employee or their value, if he or she so prefers.

(5) *Reissue or payment upon distribution.* (i) When settlement is made with an employee or his or her beneficiary with respect to any bond registered in the name and title of the plan trustee in which the employee has a share, the bond must be paid or reissued to the extent of the share.

(ii) If an employee or the beneficiary is to receive distribution in kind, bonds bearing the same issue dates as those credited to the employee's account will be reissued in the name of the employee or the employee's beneficiary to the extent entitled, in authorized denominations, in any authorized form of registration, upon the request and certification of the trustee.

(d) *Application for special limitation.* A trustee of an employee plan who desires to purchase bonds under the special limitation should submit to the designated Federal Reserve Bank or Branch a copy of:

(1) The plan;

(2) Any instructions issued under the plan that concern Series I bonds; and

(3) The trust agreement, in order to establish the plan's eligibility.

(e) *Vacation plans.* Savings bonds may be purchased under certain vacation plans. Questions concerning the eligibility of these plans to purchase bonds

in excess of the general limitation should be addressed to the Bureau of the Public Debt, Parkersburg, WV 26106-1328.

### Subpart D—Limitations on Transfer or Pledge

#### § 360.15 Transfer.

Savings bonds are not transferable and are payable only to the owners named on the bonds, except as specifically provided in these regulations and then only in the manner and to the extent so provided.

#### § 360.16 Pledge.

A savings bond may not be hypothecated, pledged, or used as security for the performance of an obligation.

### Subpart E—Judicial Proceedings

#### § 360.20 General.

(a) The Department of the Treasury will not recognize a judicial determination that gives effect to an attempted voluntary inter vivos transfer of a bond, or a judicial determination that impairs the rights of survivorship conferred by the regulations in this part upon a coowner or beneficiary. All provisions of this subpart are subject to these restrictions, except as provided in § 360.24.

(b) The Department of the Treasury will recognize a claim against an owner of a savings bond and conflicting claims of ownership of, or interest in, a bond between coowners or between the registered owner and the beneficiary, if established by valid judicial proceedings, but only as specifically provided in this subpart. Section 360.23 specifies the evidence required to establish the validity of the judicial proceedings.

(c) The Department of the Treasury and the agencies that issue, reissue, or redeem savings bonds will not accept a notice of an adverse claim or notice of pending judicial proceedings, nor undertake to protect the interests of a litigant not in possession of a savings bond.