

§ 359.72

§ 359.72 May the United States supplement or amend the offering of Series I savings bonds?

We may supplement or amend the terms of this offering of Series I bonds at any time.

APPENDIX A TO PART 359—REDEMPTION VALUE CALCULATIONS

1. What are some general tax considerations?

Interest on savings bonds is subject to taxes imposed under the Internal Revenue Code of 1986, as amended. The bonds are exempt from taxation by any State or political subdivision of a State, except for estate or inheritance taxes. (See 31 U.S.C. 3124.)

2. What is an example of a book-entry Series I savings bonds redemption value calculation?

Assume a New Treasury Direct par investment amount in a book-entry Series I sav-

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ings bonds of \$34.59, with an issue date of May, 2001, and a redemption date of December, 2001. The published CRV for a definitive \$100 Series I savings bonds issued May, 2001 and redeemed December, 2001 = \$101.96.

Calculation:

$$\begin{aligned} &[(\text{Book-entry par investment}) + (100)] \times \text{CRV} \\ &\quad \text{value for \$100 bond} \\ &[(\$34.59 + 100)] \times 101.96 \\ &[0.3459] \times 101.96 \\ &35.267964 \\ &= \$35.27 \end{aligned}$$

APPENDIX B TO PART 359—COMPOSITE SEMI-ANNUAL RATE PERIOD TABLE

1. What months make up the composite semi-annual rate period?

You may use the following table to find when a bond's semiannual rate period begins and when we'll announce the rate that applies during each period.

| If your Bond has an issue date of— | Then its semiannual rate period begins— | We announce the rate that applies during a rate period in— |
|------------------------------------|---|--|
| January | January 1 | November 1 (of the previous year). |
| | July 1 | May 1. |
| February | February 1 | November 1 (of the previous year). |
| | August 1 | May 1. |
| March | March 1 | November 1 (of the previous year). |
| | September 1 | May 1. |
| April | April 1 | November 1 (of the previous year). |
| | October 1 | May 1. |
| May | May 1 | May 1. |
| | November 1 | November 1. |
| June | June 1 | May 1. |
| | December 1 | November 1. |
| July | July 1 | May 1. |
| | January 1 | November 1 (of the previous year). |
| August | August 1 | May 1. |
| | February 1 | November 1 (of the previous year). |
| September | September 1 | May 1. |
| | March 1 | November 1 (of the previous year). |
| October | October 1 | May 1. |
| | April 1 | November 1 (of the previous year). |
| November | November 1 | November 1. |
| | May 1 | May 1. |
| December | December 1 | November 1. |
| | June 1 | May 1. |

APPENDIX C TO PART 359—INVESTMENT CONSIDERATIONS

1. What are some index contingencies?

(a) If a previously reported CPI-U is revised, we will continue to use the previously reported CPI-U in calculating redemption values.

(b) If the CPI-U is rebased to a different year, we will continue to use the CPI-U based on the base reference period in effect when the security was first issued, as long as that CPI-U continues to be published.

(c) If, while an inflation-indexed savings bonds is outstanding, the applicable CPI-U is discontinued or, in the judgment of the Sec-

retary, fundamentally altered in a manner materially adverse to the interests of an investor in the security, or, in the judgment of the Secretary, altered by legislation or Executive Order in a manner materially adverse to the interests of an investor in the security, Treasury, after consulting with the Bureau of Labor Statistics or any successor agency, will substitute an appropriate alternative index. Treasury will then notify the public of the substitute index and how it will be applied. The Secretary's determinations in this regard will be final.

(d) If the CPI-U for a particular month is not reported by the last day of the following month, we will announce an index number