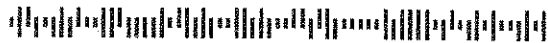


DEPARTMENT OF THE TREASURY
BUREAU OF THE PUBLIC DEBT

Important Notice: Paper Payroll Savings Bonds Being Discontinued



The U.S. Department of the Treasury will soon stop offering paper savings bonds through payroll savings plans. As of September 30, 2010, federal employees will no longer be able to purchase paper savings bonds through payroll deduction. The end date for all other (non-federal) employees is January 1, 2011. This means you will no longer be able to purchase paper bonds through your employer using payroll deduction. It's important to note that only paper bonds ordered through payroll savings plans are being eliminated.

We've been working to notify companies and payroll administrators of the change and your employer should be taking the appropriate steps to end your paper payroll savings plan. Once your plan has ended, your employer will return any remaining funds to you.

While paper bonds will no longer be available through your workplace, you can continue to save automatically using **TreasuryDirect**[®]. This free online system allows you to purchase, manage, and redeem electronic (paperless) savings bonds 24/7. You can also purchase Treasury marketable securities (bills, notes, bonds, and Treasury Inflation Protected Securities) to expand your savings portfolio. In addition, you can convert the paper savings bonds you already own to electronic ones using a feature called SmartExchange[®].

To set up a payroll plan using TreasuryDirect: (1) Go to www.treasurydirect.gov and create an account. (2) Ask your employer for a direct deposit form to have them automatically send money from your pay to your TreasuryDirect account. (3) Use the funds to purchase electronic savings bonds and/or other Treasury securities.

If your employer cannot send funds by direct deposit to TreasuryDirect, you can set up an automatic investing plan on your own by requesting that TreasuryDirect debit your personal bank account to purchase securities on a schedule you choose.

We value your support of the U.S. Savings Bond Program, and we hope you'll continue to take advantage of automatic investing using TreasuryDirect. To learn more about electronic savings through TreasuryDirect, take a guided tour, or open an account please visit www.treasurydirect.gov. If you have questions about this notice, we ask that you contact your employer or payroll administrator for assistance.

Sincerely,

A handwritten signature in black ink that reads "John R Swales, III". The signature is written in a cursive style with a large, looping initial "J".

John R Swales, III
Assistant Commissioner