DIGEST

WHAT'S NEW ABOUT U. S. SAVINGS BONDS?

NEW MARKET-BASED INTEREST RATE
NO CEILING—GUARANTEED FLOOR

There's never been a better time... ... to buy United States Savings Bonds. Safe, reliable Savings Bonds now earn at least 85 percent of Treasury market rates when you hold them five years or more. Now you can take advantage of high market rates without investing hundreds or thousands of dollars at a time—and without market risk. It's opportunity without risk.

In fact, you can get market-based interest rates by putting aside just a few dollars a payday through the automatic, dependable Payroll Savings Plan. With Payroll Savings, a one-time decision starts you saving and keeps you saving, payday after payday. It's the one way you can afford to save, no matter what your income or expenses.

85% OF MARKET RATES

There's no limit on what you can earn. If market rates average 13 percent, your bonds earn about 11 percent. If rates go higher, your bonds will keep up. And all this for as little as $25, the price of a $50 EE Bond.

GUARANTEED MINIMUM RATE

If market rates drop to very low levels, you're protected with Savings Bonds. Bonds held five years or more are guaranteed to earn no less than 7.5 percent from date of issue, compounded semiannually, until maturity, even if market rates are lower. And at the guaranteed minimum rate, you double your money in ten years.

So whether you want to save a little or save a lot, it pays to join the Payroll Savings Plan today. The combination of dependability, safety, convenience, and market-based interest can't be beat. Sign up today. There's never been a better time.

HOW DOES MARKET-BASED INTEREST WORK?

Twice each year, the Treasury will determine the Series EE Bond market-based rate for interest periods that begin in the next six months. This role will be 85% of the average market return, during the preceding six months, on Treasury Bonds and Notes with five years remaining to maturity. Each new rate will be given wide publicity.

When you hold your new EE Bonds for five years or longer, they will have earned interest at the average of 10 or more six-month market-based rates (but no less than 7.5 percent), compounded semiannually. This interest will be reflected in the redemption tables. As always, bonds held less than five years earn interest on a fixed, graduated scale.

New rate information will be published regularly so you'll always know how much your bonds are earning and how much they are worth.

THE CONTINUING FEATURES OF SAVINGS BONDS

REGISTRATION: EE Bonds may be registered in the names of individuals, whether adults or minors, in single ownership form, coownership form (two persons as coowners), or bene-

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BOARD OF SUPERVISORS DESIGNATES

February 22 - March 11 Savings Bonds Drive

February 22 is George Washington's Birthday and the beginning of the U.S. Savings Bonds Campaign in Los Angeles County. At its meeting on February 1, the Board of Supervisors designated February 22 through March 11, 1983 as the United States Savings Bonds Campaign in Los Angeles County and urged all County employees to join in this payroll deduction program which will help guarantee a free and strong America as well as a sounder financial future for themselves.

In his motion that the Board adopt the Resolution, Chairman of the Board of Supervisors, Michael D. Antonovich, pointed out that "the County of Los Angeles has been asked to lead a nationwide campaign for County employees participation in the United States Savings Bonds Program through payroll deductions.

"The United States Savings Bonds Program enables every citizen to take stock in America and concurrently provides a convenient low risk savings program for future education, home purchases, tax planning, travel and other long-range investment requirements.

"Recent Federal regulation changes linking the interest rate paid by United States Savings Bonds to market-based rates make these Bonds a viable investment choice."

Supervisor Antonovich was named Chairman of the Campaign.

TREASURER-TAX COLLECTOR NAMED COUNTYWIDE CAMPAIGN COORDINATOR

Mr. H. B. Alvord has been appointed by the board of Supervisors to coordinate the Countywide U.S. Savings Bonds Campaign. He said that the County has had a U.S. Savings Bond program for employees for many years, but until recent changes in federal regulations the program was not widely used. Because these changes have greatly enhanced the bonds' earnings potential, County officials and employees are showing renewed interest.

Mr. Alvord, who oversees the County's multi-billion dollar investment program for the County and the County's many School and Special Districts, plus administering the Los Angeles County Employees Retirement Association's $3.5 billion retirement fund, says "the recent changes in U.S. Savings Bonds terms by the Federal Treasury now make the U.S. Savings Bond payroll savings plan a viable investment program for the literally thousands of County employees. It is safe and convenient with good return and tax savings guaranteed. The program is ideally suited for the small to medium sized saver and a portion of my personal savings will now go into U.S. Savings Bonds."

Mr. Alvord stressed that employees no longer contributing to Social Security or who opted for the non-contributory Retirement "Plan E" should also consider U.S. Savings Bonds for at least part of their increased take-home pay.

County of Los Angeles

DIGEST

County Unions Endorse Bonds Campaign

Three labor representatives have agreed to serve as Co-Chairmen of Los Angeles County's 1983 United States Savings Bond Campaign.

They are:

—Mr. Joe Wetzler, Chairperson of the Coalition of County Unions;

—Mr. V. C. "Bud" Mathis, Business Representative of the Los Angeles County Building and Construction Trades Council;

—Mr. Lee Robbins, President of the Association for Los Angeles Deputy Sheriffs.

"It is important that the Unions and County Management lend their full cooperaion in the presentation of this valuable opportunity to invest in United Sates Savings Bonds to all County employees," said Mr. Wetzler.

Mr. Mathis stated that "this is something we can *all* get behind. I hope our campaign will serve as a model for the rest of the nation."

"I predict that Los Angeles County Deputy Sheriffs and District Attorney Investigators will be among the most enthusiastic participants in this campaign. Our association is lending its full support." Mr. Robbins said.

U.S. Treasury Representative Meets With Departmental Coordinators Of County Bond Campaign

"Savings Bonds have long been a secure convenient method of saving," said Mr. Myron Schy, Area Manager for the Savings Bonds Division of the U.S. Treasury.

"The new rate structure will make them much more appealing to County employees," said Mr. Schy. "The Treasury Department wanted to be sure the Savings Bond buyer would always receive a fair return on his/her money." Mr. Schy told County departmental coordinators for the campaign. "If interest rates rise, the bond holders' returns rise along with them, but even if the rates go down to low levels we still guarantee at least 7.5%."

The "kick-off" meeting with departmental coordinators was held on February 7. Departmental coordinators are responsible for the implementation of campaign plans for their respective departments.

NEW MARKET - BASED RATES OFFERED ON U. S. SAVINGS BONDS

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ficiary form (one person as owner, one person as beneficiary). Owners or first-named coowners must provide their social security numbers for inscription on each bond.

TAX STATUS: Interest on Series EE Bonds is exempt from state or local income taxes, but is subject to federal income tax. Interest is reportable as it accrues for federal income tax purposes, or reporting may be deferred-until the bonds are cashed, disposed of, or reach final maturity, whichever comes first.

SAFETY: As always, if your bonds are lost, stolen, or destroyed, they will be replaced free by the Treasury Department upon notification of the loss.

EXCHANGES: Series EE Bonds, along with Series E Bonds and Savings Notes (Freedom Shares), with total current redemption values of $500 or more, may be exchanged for current-income Series HH Bonds. Deferred EE Bond interest continues to be deferred to the tax year in which the HH Bonds are redeemed, disposed of, or reach final maurity, whichever comes first.

OLDER BONDS: Most Series E Bonds, and all EE Bonds and Savings Notes, continue to earn interest and will receive market-based rates (or their current guarantees, if higher) if held five additional years. Series E Bonds that will reach the 40th anniversary of their purchase within the next five years will receive their present guaranteed yields to final maturity, but are not eligible for the new market-based rates.

DENOMINATIONS: Series EE Bonds available in a variety of denominations, including:

Bond Face Amount	$50	75	100	200	500
Purchase Price	$25	37.50	50	100	250

HOW BONDS CAN WORK FOR YOU

TAX-FREE INTEREST FOR COLLEGE EDUCATION: If you have college costs ahead, buy U.S. Savings Bonds in your dependent child's name (with you as beneficiary, not coowner). The first year, file a federal tax return in the child's name listing accrued interest as income. Under the Internal Revenue Code, up to $1,000 in unearned income (e.g., interest) may be accumulated each year without a tax liability. Therefore, each of your children could own bonds earning up to $1,000 interest per year (assuming the child has no other income) without subjecting the income to taxation. This first year's return establishes intent, and no further returns will be necessary unless income in any year exceeds the filing limitation established by the Internal Revenue Service.

EXAMPLES OF HOW DOLLARS FOR EDUCATION CAN GROW

7.5% TABLE

If your Child's Age is	*Value of EE Bonds at Age 18 through Monthly Savings of:* $25.00	$37.50	$50.00	$100.00
8	$4348.46	$6522.69	$8696.92	$17393.84
9	3751.82	5627.73	7503.64	15007.28
10	3197.46	4796.19	6394.92	12789.84
11	2682.46	4023.69	5364.92	10729.84
12	2203.94	3305.91	4407.88	8815.76
13	1759.34	2639.01	3518.68	7037.36
14	1351.74	2027.61	2703.48	5406.96
15	978.06	1467.09	1956.12	3912.24

10% TABLE

SERIES EE-MONTHLY ACCUMULATIONS

If your Child's Age is	*Value of EE Bonds at Age 18 through Monthly Savings of:* $25.00	$37.50	$50.00	$100.00
8	$4863.34	$7295.01	$9726.68	$19453.36
9	4117.02	6174.53	8234.04	16468.08
10	3440.02	5160.03	6880.04	13760.08
11	2826.06	4239.09	5652.12	11304.24
12	2269.10	3403.65	4538.20	9076.40
13	1763.94	2645.91	3527.88	7055.76
14	1351.74	2027.61	2703.48	5406.96
15	978.06	1467.09	1956.12	3912.24

The interest rate on new issues of U.S. Savings Bonds is subject to continuous review by the Treasury and may be increased or decreased in accordance with changes in economic and financial conditions.

RETIREMENT TAX SAVINGS: Two tax-saving options on Savings Bonds help make sure you'll be comfortable in retirement.

You can cash bonds to supplement your retirement income, reporting the tax-deferred interest as income on your tax return. You will likely be in a lower tax bracket by then, and with a double exemption if you're over 65, you'll have more of the money you've saved to enjoy.

Or, you can produce income from your savings by exchanging accumulated Series EE Savings Bonds for Series HH Bonds, which pay interest as it's earned by semiannual Treasury checks. You need not pay tax on the accumulated interest on the bonds you exchange until the HH Bonds are cashed or reach final maturity. This way you keep your principal intact, have a steady income for at least 10 years, and, when the HH Bonds are cashed, the tax will be at your post-retirement rate.

So, put your money to work . . . through the Payroll Savings Plan. And take advantage of new market-based Series EE Savings Bonds.

There's never been a better time!

SERIES EE-MONTHLY ACCUMULATIONS

MONTHLY SAVINGS	*AT 7.5%* *1 YEAR*	*5 YEARS*	*10 YEARS*	*AT 10%* *1 YEAR*	*5 YEARS*	*10 YEARS*
6.25	75.94	434.70	1074.00	75.94	434.70	1196.90
12.50	152.82	874.52	2161.04	152.82	874.52	2411.42
25.00	306.60	1759.34	4348.46	306.60	1763.94	4863.34
37.50	459.90	2639.01	6522.69	459.90	2645.91	7295.01
50.00	613.20	3518.68	8696.92	613.20	3527.88	9726.68
100.00	1226.40	7037.36	17393.84	1226.40	7055.76	19453.36