

Get all your DVD's and entertainment equipment at wholesale prices and GET PAID at the same time! For a limited time, you can get a FREE LIFETIME MEMBERSHIP with NO Monthly Fees ... ever!

[Click here to know more](#)

Saving Bonds

By Max Plata

Saving Bonds are issued by US Treasury Department. These are not tradable anywhere in the market. The bonds are non-marketable securities. For any buying and selling activity, you need to go to the agents authorized by the government. These agents are called Issuing and Paying agents. The saving bonds are registered securities. This means that they are registered and held in name of the person who owns them.

Generally there are three series of interesting saving bonds. They are, I Series, E/EE series and H/ HH bonds.

Series EE Bonds : They replaced the Series E bonds. You can easily buy the EE bonds at a discount of half their face value. They come in denominations of \$50 to \$10,000. There is however a limit. There is a ceiling of \$30,000 (on the face value) during any calendar year. These bonds increase in value as the interest accrues / accumulates. They will generate for you interest for 30 years. When EE bonds "mature," or are due for maturity, you get your original investment back plus all of the interest also. They are the accrual type of marketable securities.

Series HH Bonds: They are available for purchase only in exchange for Series EE or E bonds and Savings Notes. The other way is to procure the proceeds from a matured Series HH bond. They are quite different from the usual EE bonds. Series HH bonds are purchased at their face value and are available in \$500 to \$10,000 denominations. But there is no upper limit on the amount you can invest. These bonds don't increase in value and have a maturity period of 20 years.

Series I Bonds : These bonds are available at face value only. They grow with inflation-indexed earnings for maximum period of 30 years. You can buy Series I bond in \$50 to \$10,000 denominations, the limit being \$30,000 in any calendar year.

Bonds and Series EE Savings Bonds are of similar type as they are accrual securities. They will give you some earning, that is, accrue interest monthly at a variable rate and the interest is compounded semiannually. You receive your earnings when you redeem an I Bond or Series EE Savings Bond.

Series HH Savings Bonds are current income securities. You receive your earnings semiannually and you receive the face value of Series HH Savings Bonds when you redeem them.

The benefits of parking some savings in these saving bonds is two way: first you get a cut in the taxes thereby some tax benefits are there. The other benefit is that they are more secure then other securities as their value almost always rises. It never fluctuates much so the usual ups and downs that other securities see, is not a regular feature in this bond.

Another great thing is that they are registered securities so in case you loose these bonds (paper bonds etc), all you have to do is get in touch with the authorities and you will get a replacement soon. Thus there is no issue of their being lost, destroyed etc.

The bonds are very affordable as you can start purchasing them with as less as USD 25. The bonds are available right from denomination of USD 50 to USD 10,000. So all you have to do is to analyze your needs, financial goals and then purchase them.

In case you are tied up, no need to fret, these bonds are valuable online also. So all you have to do is a few clicks on the site and you have bought them electronically, without moving anywhere from the comfort of your chair. There are more than 40,000 financial institutions that sell these bonds.

You can sell them anytime you wish to, once the initial holding period of 12 months is over.

Saving Bonds are safe and secure securities to park savings for good returns. They are easy to buy and come in small as well as large denomination also.

More about his work at: <http://www.spotbonds.com>

Savings Bonds

By Max Plata

Savings bonds are a great way to save money for your future. Either purchased yourself, or given as a gift, savings bonds ensure you that you will have at least some amount of savings later on.

Although you may already know a little about savings bonds, either owning them yourself or having given one as a gift, you may not know that there are different types. Each type has its own set of rules and also different ways that they can be used.

I Bonds are saving bonds that are low-risk and also a liquid savings product. During the time that you own them they earn interest and also protect you from inflation.

I Bonds can be purchased at just about any local financial institution, or also through payroll deduction.

What are they used for? I Bonds savings bonds can be used to finance education, supplement your retirement income, or also given as a gift.

With I Bonds, you are guaranteed a real rate of return since they are an accrual-type security. Each month interest is added to the savings bond, and that interest is paid to you when you cash in the bond.

They are sold at face value. For instance, you pay \$50 for a \$50 I Bond.

You must own an I Bond for a minimum of one year, its interest-earning period is 30 years, and there are early redemption penalties. Interest earnings are tax-exempt from both State and local taxes, but they are subject to State and local estate, inheritance, gift, and other excise taxes. Interest earnings are subject to Federal income tax, but they may be excluded from Federal income tax when they are used to finance education.

Another type is the EE savings bonds. They are safe and low-risk savings bonds that pay interest based on market rates. As with I Bonds, EE savings bonds can be purchased at just about any financial institution or, if available, through your employer's payroll deduction plan.

EE Bonds can be used to finance education, supplement your retirement income, or even given as a gift.

Any EE/E savings bond that were purchased between May 1997 and April 30, 2005 are set to earn a variable market-based rate of return. Those issued May 2005 and after are set to earn a fixed rate of interest.

EE savings bonds are also an accrual-type security, having interest added monthly and paid when it the bond is cashed in. However, unlike I Bonds, EE savings bonds are sold at half of its face value. For example, a \$50 bond is purchased for \$25.

There is a minimum of one year ownership, a 30-year interest period, and also early redemption

penalties. The Tax Considerations for EE savings bonds are the same as those for the I Bonds.

Lastly are HH savings bonds. Unlike both I and EE savings bonds, HH are used only to supplement retirement income. They are available only in exchange for Series EE/E savings bonds or upon reinvestment of any matured Series H bonds.

As with I Bonds, HH savings bonds are sold for its face value. For example, you pay \$500 for a \$500 bond. HH/H savings bonds pay a fixed interest rate that was set on the day it was purchased. The interest rate will change to the current HH Bond rate on the 10 th anniversary of its issue date.

You must own HH savings bonds for a minimum of 6 months, and the interest-earning period is 20 years.

Interest earnings for HH savings bonds are exempt from State and local income taxes. However, they are subject to Federal, State, and local estate, inheritance, gift, and other excise taxes. Its interest earnings are also subject to Federal income tax.

More work of Max can be found at <http://www.gsavings.com>

Related eBooks:

[Savings Bonds](#)

[Top Rated Investment Bonds](#)

[Should You Choose Stocks Or Bonds?](#)

[A Complete Beginners Guide To Bond Investing](#)

[What Are Chemical Bonds and Why Do They Form?](#)

Get more Free PDF eBooks at FreePDFeBooks.com

Related Products:

[Money Saving ideas](#)

[470 Crock Pot Recipes](#)

[Online Dating Secrets Revealed!](#)

[62 Ways To Beat The Gas Pump Monster](#)

[How to Buy a Car Without Getting Ripped Off!](#)

Malamaal.com: A genuine resource center for Quality Ebooks and Softwares

Co-Sponsored Advertisement:

This PDF eBook is for free Distribution only, it cannot be SOLD
Get free rebrandable ebooks, and unleash your viral marketing strategy.

[Click here to know more](#)

Powered By FreePDFeBooks.com

[ReBrand this PDF eBook with your Name / URL / ClickBank Affiliate ID for Free](#)