

TOPIC	PAYROLL	SUB-SECTION 20.20.13
SECTION	PROCESSING	ISSUANCE DATE May 30, 2008
SUB-SECTION	SAVINGS BOND DEDUCTIONS	REVISED - 2018

SAVINGS BOND DEDUCTIONS

Savings bond deductions allow employees to withhold amounts from their paychecks until they have enough money to purchase a savings bond. The savings bond deduction codes are used in SPAHRS to purchase bonds from the Federal Reserve Bank. A miscellaneous deduction code is required for savings bonds purchased from any other bank or bonding company.

DEDUCTIONS

An agency must have a Federal Reserve identification number entered on the SPAHRS agency record before an employee can use the savings bonds deduction codes. Savings bonds can be purchased in different denominations using the correct deduction code.

Deductions less than the purchase amount of the bond accumulates until the deduction amount equals the purchase amount of the savings bond.

An employee can purchase savings bonds in someone else's name. The name of the person (owner) for whom the bond is being purchased and their social security number must be entered on the deduction record.

PAYMENTS

An accounting entry to 20230000 – Bond Withholding Payable is automatically generated for the amount withheld. When the employee accumulates enough withholdings to purchase the bond, SPAHRS will generate a warrant. An electronic file is created which the agency downloads into a diskette that is sent to the Federal Reserve Bank with the warrant.

REFERENCES

<http://www.mmrs.state.ms.us/imported/docs/lib/DFA/Training%20Materials/SPAHRS/Payroll/6311%20SPAHRS%20Maintain%20Employee%20Payroll%20Information.pdf> provides data entry instructions for savings bond deductions.