

Civil rights leader Dr. Martin Luther King, Jr., is one of eight prominent Americans whose portraits are featured on the Series I bonds.



MTA Adds New 'Series I' \$50 Bonds to Savings Bond Offerings

- **'Series I' bonds earn 4.66% interest**

(Aug. 7, 2003) MTA employees may sign up, beginning Aug. 18, for a new U.S. Savings Bond program that is free of local and state taxes and defers federal taxes until the bond is cashed.

The new "Series I" bonds, purchased through payroll deductions for a face value of \$50 to \$10,000 each, will pay an annual interest rate of 4.66 percent through October 2003.

Interest is added monthly, compounded semi-annually, and paid when the bond is cashed. Bonds must be held for at least a year before they can be cashed in.

In addition to being exempt from local and state taxes, federal taxes do not have to be paid on the bonds until they are cashed. For older employees, that could mean paying a lower tax rate on the bonds.

Series I bonds differ from the more familiar Series EE bonds, which only reach their full value after 20 years. Series EE bonds also are available from MTA through payroll deduction.

Higher interest rate

The 4.66 percent interest rate currently paid on Series I bonds – higher than the one to two percent offered by most savings accounts and certificates of deposit (CDs) – may fluctuate based on the bond market and Consumer Price Index inflation rate.

"U.S. Savings bonds are an excellent way to contribute to your savings goals and one of the safest in the world," says Terry Matsumoto, executive officer, Finance and Treasurer.

Employees also can get a full federal tax exemption if the bonds are used to pay for higher education. Series I bonds can be purchased for as little as a \$1 deduction per pay period.

Who's Who on the I-Bonds

Name these heroes and then **click on image** to check your answers and learn all about these famous Americans. If you don't have Internet access, look for the answers at the end of this article.



Series I bond enrollment drives will be held at MTA Headquarters beginning Aug. 18. Signups also will be conducted at all operating divisions and pay locations, and during all work shifts, over the next several months.

Employees who sign up for Series I bond deductions in August will see the first deductions from their Sept. 19 paychecks.

For more information about U.S. Savings Bonds, go to www.publicdebt.treas.gov/sav/sbiinvst.htm or www.savingsbonds.gov on the World Wide Web.

Answers to Who's Who on the I-Bonds: Featured on the Series I bonds are opera singer Marian Anderson, physicist Albert Einstein, humanitarian Dr. Hector Garcia, Native American leader Nez Perce Chief Joseph, author and advocate Helen Keller, civil rights leader Dr. Martin Luther King, Jr., statesman Gen. George C. Marshall and WWII hero Sen. Spark M. Matsunaga. To learn more about all eight, go to this address on the Internet: www.publicdebt.treas.gov/sav/sbiwho.htm

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