

MISSISSIPPI DIVISION OF MEDICAID

Eligibility Policy and Procedures Manual

303.04 US SAVINGS BONDS

A US Savings Bond:

- Is an obligation of the federal government,
- Is not transferable,
- Can only be sold back to the federal government.

Treatment

- Savings Bonds are issued as traditional paper bonds or as book-entry Securities. Book-entry securities (also called savings security instruments or electronic savings bonds) are sold online by the US Treasury Department.
- The individual in whose name a US Savings Bond is registered owns it. The owner may name a beneficiary of the bond, but retains sole ownership rights throughout his lifetime. Upon death of the owner, the beneficiary then becomes the new owner.
- Paper bonds may have co-owners. Each individual owns equal shares of the redemption value of the bond.
- Some electronic bonds called "with" bonds may have the owner listed with one additional person. The additional person listed has authority to cash the bond, but has no ownership rights.
- Ownership of a paper bond is noted on the front of the bond and can be verified by viewing the bond itself. View all paper bonds and retain a copy for the record. Ownership of electronic bonds is maintained by the Treasury Department and verification is obtained by the owner by downloading a record of the holdings from the Treasury Department.
- Physical possession of a paper bond is required to redeem it. If a person other than the client/spouse will not relinquish possession of a bond, it is not an available resource. **NOTE:** A transfer of assets may exist unless a successful rebuttal of ownership is offered.
- Physical possession does not apply to electronic bonds.

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US SAVINGS BONDS (Continued)

Treatment
<ul style="list-style-type: none">• US Savings Bonds are subject to a mandatory retention period before they can be redeemed. During the mandatory retention period, the bond is not a resource. Retention periods for paper and electronic bonds are:<ul style="list-style-type: none">○ Series E, EE and I bonds issued prior to 2/1/03 for the first 6 months○ Series EE and I bonds issued on or after 2/1/03 for the first 12 months;○ Series H and HH bonds for the first 6 months regardless of the issue date.• To determine the value of Series E, EE and I paper bonds:<ul style="list-style-type: none">○ Use the Savings Bond Calculator at the address shown below or http://www.treasurydirect.gov/indiv/tools/tools_savingsbondcalc.htm○ Use a current copy of the Table of Redemption Values for US Savings Bonds or○ As a last alternative, obtain the value by telephone from a local bank and document the contact.• To determine the value of E, EE or I electronic bonds, ask the client to provide a copy of his "Current Holdings" list, which can be downloaded from the Treasury Direct website: http://www.savingsbonds.gov/. Electronic bonds have no set denominations and can be purchased in any amounts from \$25 to \$30,000 so the face value cannot be determined the same as paper bonds. If the client alleges the Current Holdings cannot be obtained because the password or account number has been lost, he must contact the Treasury Department to retrieve them.• Series E, EE, and I bonds accrue interest which is added to the redemption value of the bonds. Owners of these bonds do not receive interest payments.• Series H and HH bonds are only issued as paper bonds. They are issued at their face value and do not increase in value. Interest is paid to the owner every six months. The cash value is the bond's face value and is obtained from the bond itself. Retain a copy of the bond in the record.