

THE 5 W'S OF SERIES I BONDS



WHO

Individuals and entities with up to \$10,000 they would like to invest in a way that provides return and safety

WHAT

- US Government issued and backed savings bonds
- Current rate is 9.62% (through October 2022)
- The rate fluctuates with inflation but won't go below 0%
- Interest can be accrued for 30 years
- Earns interest monthly and is compounded twice a year
- Maximum purchase is \$10,000 per individual or entity per calendar year (additional \$5,000 with a tax refund)

WHY

- Access to funds is not needed for at least a year but ideally 5 years - not a place for an emergency reserve
- Take advantage of the interest rate with an understanding the rate may decrease over the life of the bond
- Take advantage of the interest rate with an understanding that the investment is geared more towards preservation than growth

WHEN

- To Buy:
 - Now is good. The rate is set at 9.62% through October 2022. We do not know what the rate will adjust to at that time
 - The rate is reset on the first business day of May and November
- To Redeem:
 - Can cash in after 5 years without loss of interest
 - Can cash in after 1 year but will forfeit last 3 months of interest

WHERE

- **Purchase electronically at www.treasurydirect.gov**
- Purchase as an individual but be sure to name a beneficiary and have documented how to access your account
- Additional purchases can be made for business entities, trusts, children, and estates

For more information, check out the following resources

- <https://www.wsj.com/articles/series-i-savings-bonds-what-you-should-know-11652834560>
- <https://www.kitces.com/blog/federal-series-i-savings-bonds-inflation-712-composite-rate-treasurydirect-compare-fixed-income-investments/>