Mutual Fund Tax Guide

2025

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Thoughtful Investing.

Brown Advisory and its representatives do not provide tax or legal advice. Each individual's tax and financial situation is unique. Individuals should consult their tax and/or legal advisor for advice and information concerning their particular situation.

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Purpose

What is included in the Mutual Fund Tax Guide?

This guide provides information about the 2025 tax forms that you may receive this year.

Will the Mutual Fund Tax Guide help me file my tax return?

While this guide may assist you in preparing your tax return, it is not intended to provide specific tax advice.

Who should I contact for tax advice?

Given the scope and complexity of tax laws, please consult your tax or financial advisor who can provide advice based on your personal financial history and can best assist you in preparing your tax return.

Who should I contact if I have questions regarding my account?

Please do not hesitate to contact one of our representatives at 1-800-540-6807 if you have any questions, concerns, or need additional clarification regarding your account.

Important Dates

Tax Return Filing Deadline*

The Federal Tax Return filing deadline for the 2025 tax year is April 15, 2026. Request for filing extensions are also due on that same date (if applicable).

IRA & CESA Contribution Deadline*

The deadline to make contributions into your Traditional IRA, Roth IRA, and Coverdell Education Savings Account (CESA) for the 2025 tax year coincide with the Federal Tax Return filing deadline of April 15, 2026.

Required Tax Form Mail Dates

Form	Date
1099-Q, 1099-R, 592-B	February 2, 2026
1099-B, 1099-DIV**, 1099-INT**	February 17, 2026
1042-S	March 16, 2026
5498-ESA	April 30, 2026
5498	June 1, 2026

*Access Newsroom | Internal Revenue Service (irs.gov) to determine if the deadline has been extended, as occurred for both the 2019 and 2020 tax years.

**February 2, 2026 date applies if the tax form is NOT furnished as part of a consolidated reporting statement as listed under T.D. 9504,2010-47 I.R.B. 670.

Duplicate Tax Form Requests

Please allow 5 - 7 business days after the required tax form mail date for delivery of the original tax forms, prior to requesting a duplicate copy. Please contact one of our representatives if you have any questions, concerns, or need additional clarification regarding your account.

Tax Forms

Type of Account/Tax Form	*Page*
Taxable Accounts	**6-14**
Form 1099-B	6-9
Form 1099-DIV	10-12
Form 1099-INT	13
Form 592-B	14
Retirement Accounts	**15-19**
Form 1099-R	15-16
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Coverdell Education Savings Account (CESA)	**20-21**
Form 1099-Q	20
Form 5498-ESA	21
Non-U.S. Accounts	**22-23**
Form 1042-S	22-23

1099-B *Frequently Asked Questions*



General reporting

What does Form 1099-B report?

Form 1099-B reports redemptions or exchanges from a non-retirement or non-money market account. Gain/Loss information is provided for covered shares.

The section titled 'Not Reported to the IRS‘ may contain cost basis information for Non-covered shares. This section may indicate the cost basis method for a transaction (See 1099-B instructions for further information).

What types of accounts receive a Form 1099-B?

Taxable accounts for individuals, trusts, estates, partnerships, S corporations, and certain other institutions. Retirement plan accounts will NOT receive this form.

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1099-B *Frequently Asked Questions*

Basis reporting

How does cost basis information pertain to Form 1099-B reporting?

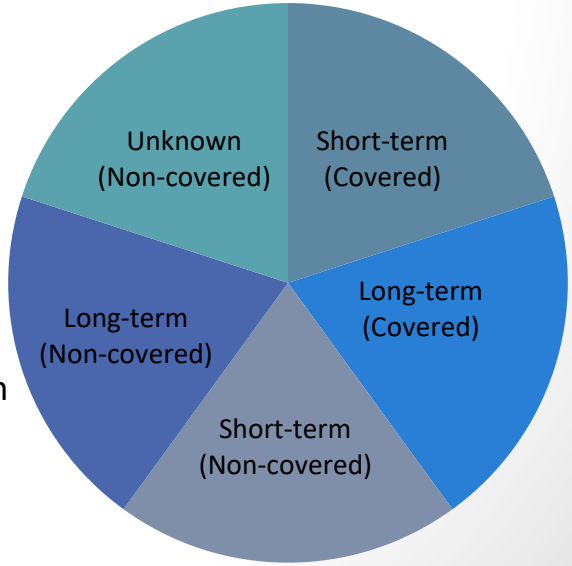
If you redeemed shares from a taxable account during 2025, this form may include basis information. IRS regulations generally only requires basis information to be provided for Covered shares purchased *on or after January 1, 2012.* It is generally your responsibility to calculate and report basis information to the IRS for any Non-covered shares; *those shares generally acquired prior to January 1, 2012.*

How is cost basis reported?

Form 1099-B reporting may contain up to five distinct holding periods, based upon both the length of time the depleted shares were held and the basis reporting requirement of those shares. Reporting of basis information to the IRS depends upon the depleted share designation as Covered, Non-covered, or Unknown.

An IRS basis reporting requirement exists for Covered shares. Basis for Non-covered shares *may* be available (and reported on Form 1099-B as a courtesy), but it is not reported to the IRS. You are responsible for calculating and reporting basis for shares with an Unknown designation.

Holding period
(Basis reporting requirement)



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1099-B *Frequently Asked Questions*

Basis reporting continued…

Multiple Holding Periods

Each redemption or exchange transaction may contain shares with more than one holding period. In the example below, one redemption depleted shares from three separate holding periods.

Date of Acquisition	Holding Period	Reported to IRS?
10/05/2011	Long-Term	No, Non-covered
05/17/2019	Long-Term	Yes, Covered
08/06/2025	Short-Term	Yes, Covered

- Long-Term: Basis NOT reported to IRS for the shares acquired 10/05/2011
- Long-Term: Basis reported to IRS for the shares acquired 05/17/2019
- Short-Term: Basis reported to IRS for the shares acquired on 08/06/2025

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1099-B *Frequently Asked Questions*

Common field descriptions

1a Description of property, including Fund name, share price and quantity sold
1b Date of acquisition of the depleted shares;
Field will be "blank" if depleted shares were acquired at various dates *or* if Box 5 shows YES
1c Reports date shares sold
1d Reports net proceeds from sale
1e Reflects the cost or other basis of shares redeemed. If Box 5 shows YES, Box 1e may be "blank"
1g Shows the amount of non-deductible loss in a wash sale transaction
4 Reports federal backup withholding to include on your tax return as tax withheld
5 If this box displays YES, the shares redeemed were non-covered *(cost basis not reported to the IRS)* and boxes 1b, 1e, and 1g may be "blank"

(1a) Description of property														
Transaction	Share Price**	Quantity Sold**	(1b) Date acquired	(1c) Date sold or disposed	(1d) Net proceeds	(1e) Cost or other basis	(1g) Wash sale loss disallowed	(3) Proceeds from QOF	**(4) Federal income tax withheld**	(5) Non-covered security	(14) State name	(15) State identification no.	(16) State tax withheld	Gain/ (Loss)**
Fund:				Fund-Acct. no.:			PAYER'S TIN:			CUSIP no.:			Cost Basis Method**:	
Fund:				Fund-Acct. no.:			PAYER'S TIN:			CUSIP no.:			Cost Basis Method**:	
FUND TOTAL:														

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1099-DIV *Frequently Asked Questions*



General reporting

What does Form 1099-DIV report?

Form 1099-DIV contains reportable dividend, tax-exempt dividend, and capital gains earned from distributions (cash or reinvested) on non-retirement accounts.

What types of accounts receive a Form 1099-DIV?

Taxable accounts for individuals, trusts, estates, partnerships, S corporations, and certain other institutions. Retirement plan accounts will NOT receive this form.

I received a small capital gain or dividend distribution. Why haven't I received a Form 1099-DIV?

You typically will not receive Form 1099-DIV if the total amount of dividends and capital gains for an account is less than $10. Exceptions to the $10 threshold include situations where the distribution was subject to either a return of capital (Box 3), backup withholding (Box 4) or a foreign tax credit (Box 7).

However, even if you do not receive Form 1099-DIV, you are generally required to report all your taxable dividends and capital gains on your tax return.

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1099-DIV *Frequently Asked Questions*

Capital gain and dividend distributions

What is a capital gain distribution?

A *Fund* capital gain distribution can occur when a Fund buys and sells stocks and other securities within the Fund's portfolio. This activity may create a net capital gain for the Fund. The Fund then passes through this capital gain distribution to its shareholders, which in turn may be subject to 1099-DIV reporting, depending upon the type of shareholder.

How is a capital gain distribution different than a capital gain incurred when shares of my account are sold?

A *shareholder* capital gain occurs when the shareholder sells shares for a gain in a taxable, non-retirement, non-money market account. See 1099-B reporting earlier.

Do I have to report capital gains and dividends if they are reinvested into my non-retirement account?

Yes, capital gains and dividend distributions are considered income the year in which they are distributed, regardless of whether they are paid in cash or reinvested. The amount of the reinvested dividends and/or capital gains are included in the basis calculation for your account.

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1099-DIV *Frequently Asked Questions*

Common field descriptions

1a Total ordinary dividends *(including Box 1b amount)* and short-term capital gains
1b Qualified dividends that may be taxed at a reduced rate depending on your tax bracket
2a Total long-term capital gains *(including Box 2b and 2b amounts)*
2e Portion of box 1a amount reflected as a section 897 gain attributable to disposition of USRPI
2f Portion of box 2a amount reflected as a section 897 gain attributable to disposition of USRPI
3 Return of your initial investment; also known as return of capital
4 Backup withholding to include on your tax return as taxes withheld
5 Dividends potentially eligible for the 20% qualified business income deduction
7 Foreign tax paid
12 Exempt interest dividends *(including Box 13 amount)*
13 Amount of exempt-interest dividends subject to alternative minimum tax (AMT)

(1a) Total ordinary dividends	(1b) Qualified dividends	(2a) Total capital gain distributions	(2b) Unrecap. Sec. 1250 gain	(2d) Collectibles (28%) gain	(2e) Section 897 ordinary dividends	(2f) Section 897 capital gain	(3) Nondividend distributions	**(4) Federal income tax withheld**	(5) Section 199A dividends	(6) Investment expenses	(7) Foreign tax paid *	(9) Cash liquidation distributions	(10) Noncash liquidation distributions	(12) Exempt-interest dividends	(13) Specified private activity bond interest dividends	(16) State tax withheld
Fund:				Fund-Acct. no.:					PAYER'S TIN:				(14) State:		(15) State Identification no.:	

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1099-INT *Frequently Asked Questions*

Mailed By Feb 17 2026

General reporting

What does Form 1099-INT report?

Form 1099-INT reports bank deposit-type interest dividends on non-retirement accounts.

What types of accounts receive a Form 1099-INT?

Taxable accounts for individuals, trusts, estates, partnerships, and certain other institutions. Retirement plan accounts will NOT receive this form.

Common field descriptions

1 Interest income

4 Backup withholding to include on your tax return as taxes withheld

Fund Acct. no.	(1) Interest income	(3) Interest on U.S. Savings Bonds and Treasury obligations	**(4) Federal income tax withheld**	(6) Foreign tax paid*	(8) Tax-exempt interest	(9) Specified private activity bond interest	(14) Tax-exempt and tax credit bond CUSIP no.	(15) State	(16) State identification no.	(17) State tax withheld
Fund:					PAYER'S TIN:					

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592-B *Frequently Asked Questions*

Mailed By Feb 2 2026

General reporting

What does Form 592-B report?

Form 592-B reports State of California backup withholding on redemptions and long-term capital gains.

What types of accounts receive a Form 592-B?

Non-retirement accounts subject to federal backup withholding with a California address.

Common field descriptions

1 Income subject to backup withholding

3 Total State of California backup withholding

Part III Type of Income Subject to Withholding. Check the applicable box(es).

A ☐ Payments to Independent Contractors	E ☐ Estate Distributions	I ☐ Other _____ (describe)
B ☐ Trust Distributions	F ☐ Elective Withholding	
C ☐ Rents or Royalties	G ☐ Elective Withholding/Indian Tribe	
D ☐ Distributions to Domestic (U.S.) Nonresident Partners/Members/ Beneficiaries/S Corporation Shareholders	H ☐ Allocations to Foreign (non-U.S.) Nonresident Partners/Members	

Part IV Tax Withheld

(1) Total income subject to withholding	(2) Total resident and/or nonresident tax withheld (excluding backup withholding)	(3) Total backup withholding
Fund:	Fund-Acct. no.:	
TOTALS		

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1099-R *Frequently Asked Questions*



General reporting information

What does Form 1099-R report?

Form 1099-R reports distributions from a Traditional IRA, Roth IRA, SEP IRA, SIMPLE IRA, and certain Qualified Plans, including a 403(b). IRA trustee-to-trustee transfers are not reportable.

What types of accounts receive a Form 1099-R?

Individual Retirement Accounts (IRAs) and Qualified Plans (QPs).

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1099-R *Frequently Asked Questions*

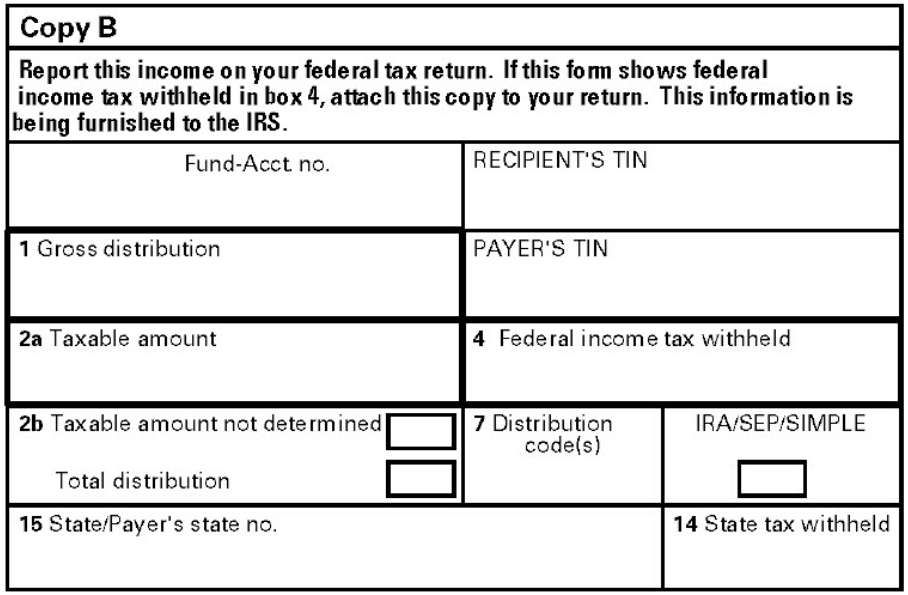
Common field descriptions

1 Gross distributions, also including rollovers, conversions to a Roth IRA, and recharacterized IRA contributions

2a You are generally responsible for calculating the taxable amount for distributions from an IRA

4 Federal withholding to include on your tax return as taxes withheld

7 Codes to identify the type of distribution (see 1099-R instructions for code descriptions)



Copy B		
Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return. This information is being furnished to the IRS.		
Fund-Acct. no.	RECIPIENT'S TIN	
1 Gross distribution	PAYER'S TIN	
2a Taxable amount	**4** Federal income tax withheld	
2b Taxable amount not determined ☐ Total distribution ☐	**7** Distribution code(s)	IRA/SEP/SIMPLE ☐
15 State/Payer's state no.		**14** State tax withheld

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5498 *Frequently Asked Questions*



General reporting information

What does Form 5498 report?

Form 5498 reports IRA contributions, rollovers, conversions, and recharacterizations. Trustee-to-trustee transfers are not reported on this form. Form 5498 also reports the fair market value (FMV) of an IRA as of December 31, 2025, for purposes of determining Required Minimum Distribution (RMD) amounts for the following tax year.

What types of accounts receive a Form 5498?

Individual retirement accounts (IRAs).

Are reinvested capital gains and dividends reported on IRAs?

Capital gains and dividends reinvested into an IRA are not reportable, however, distributions paid in cash are reportable on Form 1099-R.

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5498 *Frequently Asked Questions*

Contributions for 2025 tax year

Why are the SEP and SIMPLE IRA contributions made in 2026 for the 2025 tax year not reported on Form 5498?

IRS rules require calendar year reporting of contributions made to a SEP or SIMPLE IRA. While your investor statement may describe the tax year of your SEP or SIMPLE IRA contributions, the 2025 Form 5498 is required to report only those contributions made during the calendar year of 2025, regardless of the tax year to which those contributions apply.

Maximum Contribution Limits

Taxpayers may contribute up to the amounts shown below for the 2025 tax year. For shareholders that reached age 50 by December 31, 2025, "Catch-Up" contribution amounts are provided. See IRS Publication 590-A (Traditional or Roth) or IRS Publication 560 (SEP and SIMPLE IRA) for further Traditional and Roth IRA eligibility requirements.

IRA Type	2025 Contribution Limit	2025 "Catch-Up" Contribution
Traditional IRA	$7,000	$1,000
Roth IRA	$7,000	$1,000
SEP IRA	$70,000*	N/A
SIMPLE IRA	$16,500	$3,500**

* The lesser of 25% of compensation or $70,000

** If you turn age 60, 61, 62, or 63 during the plan year the catch-up contribution limit is $5,250

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5498 *Frequently Asked Questions*

Common field descriptions

1 Traditional IRA contributions made in 2025 and through April 15, 2026 for the 2025 tax year
2 Rollover contributions
3 Amount converted to a Roth IRA from a Traditional, SEP, or SIMPLE IRA
4 Amount recharacterized from one IRA type to another
5 Fair market value as of 12/31/2025
7 Type of IRA
8 SEP IRA contributions made during the 2025 calendar year
9 SIMPLE IRA contributions made during the 2025 calendar year
10 Roth IRA contributions made in 2025 and through April 15, 2026 for the 2025 tax year
11 Will be checked if a Required Minimum Distribution is required for the specified tax year

(1) IRA contributions (other than amounts in boxes 2-4, 8-10, and 13a)	(2) Rollover contributions	(3) Roth IRA conversion amount	(4) Recharacterized contributions	(5) FMV of account as of 12-31-25	(8) SEP contributions	(9) SIMPLE contributions	(10) Roth IRA contributions	(11) If checked, required minimum distribution for 2026	(13a) Postponed/late contrib.	(13c) Code	(15a) FMV as of 12-31-25 of certain specified assets
FUND:					Fund Acct. no.:		(7) Type of IRA:				(15b) Code(s):
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	X	0.00	Y	0.00

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1099-Q *Frequently Asked Questions*

Mailed By Feb 2 2026

General reporting

What does Form 1099-Q report?

Distributions from a Coverdell Education Savings Account (CESA). Trustee-to-trustee transfers are reportable on this form.

What types of accounts receive a Form 1099-Q?

CESA

Common field descriptions

1 Gross distributions, including rollovers and trustee-to-trustee transfers
2 Only displays earnings made on excess contributions, otherwise not applicable for 2025
4 Reports if the distribution in Box 1 was a trustee-to-trustee transfer

Fund-Acct. no.	(1) Gross distribution*	(2) Earnings **	(3) Basis	(4) Type of transfer	(5) Distribution is from:	(6) Check if the recipient is not the designated beneficiary	(7) Coverdell ESA fair market value (FMV) as of 12-31-25*
Fund:							
	0.00	0.00	0.00			☐	0.00

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5498-ESA *Frequently Asked Questions*



General reporting

What does form 5498-ESA Report?

Form 5498-ESA reports contributions, rollovers and trustee-to-trustee transfers into a Coverdell Education Savings Account (CESA).

What types of accounts receive a Form 5498-ESA?

CESA

What is the maximum contribution limit?

Contributions up to $2000 are allowed for the 2025 tax year. See IRS Publication 970 for further eligibility requirements.

Common field descriptions

1 CESA contributions made in 2025 and through April 15, 2026 for the 2025 tax year
2 Rollovers and trustee-to trustee transfers made in 2025

Fund-Acct. no.	(1) Coverdell ESA contributions	(2) Rollover contributions
FUND:		
Summary		

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1042-S *Frequently Asked Questions*



General reporting

What does Form 1042-S report?

Dividends and capital gains from taxable accounts, and distributions from IRA accounts paid to a foreign person or entity.

What types of accounts receive a Form 1042-S?

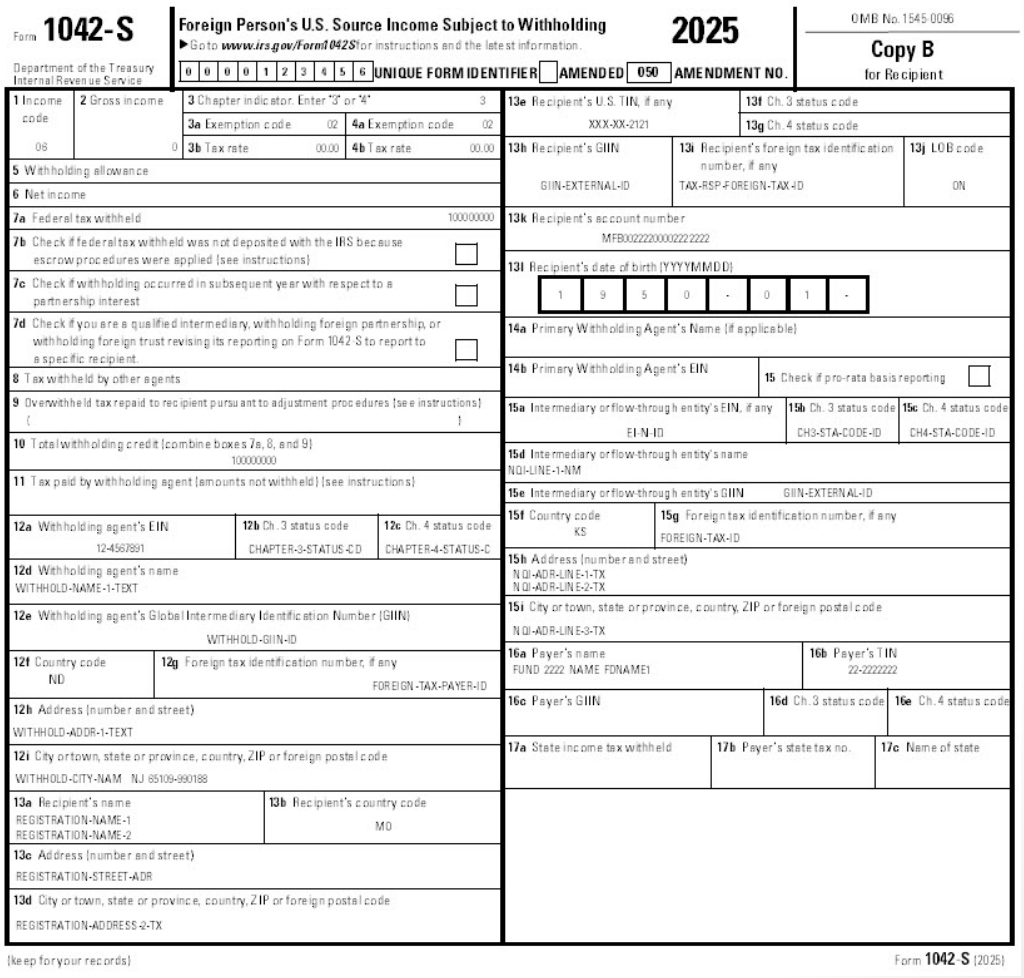
Foreign persons or entities who received a Fund distribution on their taxable account or liquidated assets from a retirement account.

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1042-S *Frequently Asked Questions*

Common field descriptions

- **1** Income code
- **2** Gross income paid
- **3** Chapter indicator (3 or 4)
- **3a** Chapter 3 exemption code
- **3b** Chapter 3 tax rate
- **4a** Chapter 4 exemption code
- **4b** Chapter 4 tax rate
- **7a** Federal tax withheld
- **10** Total withholding credit
- **13b** Recipient's country code
- **13h** Recipient's governmental issued ID number (GIIN)



Form **1042-S** — Foreign Person's U.S. Source Income Subject to Withholding — **2025**

▶ Go to www.irs.gov/Form1042S for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

OMB No. 1545-0096

Copy B for Recipient

0 0 0 0 1 2 3 4 5 6 UNIQUE FORM IDENTIFIER | AMENDED 050 AMENDMENT NO.

1 Income code: 06	2 Gross income: 0	3 Chapter indicator. Enter "3" or "4": 3	
		3a Exemption code: 02	4a Exemption code: 02
		3b Tax rate: 00.00	4b Tax rate: 00.00
5 Withholding allowance			
6 Net income			
7a Federal tax withheld: 100000000			
7b Check if federal tax withheld was not deposited with the IRS because escrow procedures were applied (see instructions) ☐			
7c Check if withholding occurred in subsequent year with respect to a partnership interest ☐			
7d Check if you are a qualified intermediary, withholding foreign partnership, or withholding foreign trust revising its reporting on Form 1042-S to report to a specific recipient. ☐			
8 Tax withheld by other agents			
9 Overwithheld tax repaid to recipient pursuant to adjustment procedures (see instructions) ( )			
10 Total withholding credit (combine boxes 7a, 8, and 9): 100000000			
11 Tax paid by withholding agent (amounts not withheld) (see instructions)			
12a Withholding agent's EIN: 12-4567891	12b Ch. 3 status code: CHAPTER-3-STATUS-CD	12c Ch. 4 status code: CHAPTER-4-STATUS-C	
12d Withholding agent's name: WITHHOLD-NAME-1-TEXT			
12e Withholding agent's Global Intermediary Identification Number (GIIN): WITHHOLD-GIIN-ID			
12f Country code: ND	12g Foreign tax identification number, if any: FOREIGN-TAX-PAYER-ID		
12h Address (number and street): WITHHOLD-ADDR-1-TEXT			
12i City or town, state or province, country, ZIP or foreign postal code: WITHHOLD-CITY-NAM NJ 85109-980188			
13a Recipient's name: REGISTRATION-NAME-1 REGISTRATION-NAME-2	13b Recipient's country code: MO		
13c Address (number and street): REGISTRATION-STREET-ADR			
13d City or town, state or province, country, ZIP or foreign postal code: REGISTRATION-ADDRESS-2-TX			

13e Recipient's U.S. TIN, if any: XXX-XX-2121		13f Ch. 3 status code	
		13g Ch. 4 status code	
13h Recipient's GIIN: GIIN-EXTERNAL-ID	13i Recipient's foreign tax identification number, if any: TAX-RSP-FOREIGN-TAX-ID	13j LOB code: ON	
13k Recipient's account number: MFB0222200000222222			
13l Recipient's date of birth (YYYYMMDD): 1 9 5 0 - 0 1 -			
14a Primary Withholding Agent's Name (if applicable)			
14b Primary Withholding Agent's EIN	15 Check if pro-rata basis reporting ☐		
15a Intermediary or flow-through entity's EIN, if any: EI-N-ID	15b Ch. 3 status code: CH3-STA-CODE-ID	15c Ch. 4 status code: CH4-STA-CODE-ID	
15d Intermediary or flow-through entity's name: NOI-LINE-1-NM			
15e Intermediary or flow-through entity's GIIN: GIIN-EXTERNAL-ID			
15f Country code: KS	15g Foreign tax identification number, if any: FOREIGN-TAX-ID		
15h Address (number and street): NOI-ADR-LINE-1-TX NOI-ADR-LINE-2-TX			
15i City or town, state or province, country, ZIP or foreign postal code: NOI-ADR-LINE-3-TX			
16a Payer's name: FUND 2222 NAME FDNAME1	16b Payer's TIN: 22-2222222		
16c Payer's GIIN	16d Ch. 3 status code	16e Ch. 4 status code	
17a State income tax withheld	17b Payer's state tax no.	17c Name of state	

(keep for your records) Form **1042-S** (2025)

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Tax Topics

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Backup Withholding

Section 3406(b) of the Internal Revenue Code requires backup withholding to occur upon certain payments being made to a shareholder, including dividends, short-term and long-term capital gains, and redemptions/exchanges.

Generally, backup withholding applies on a taxable, non-retirement account if either a properly completed application or Form W-9 is not provided. Backup withholding may also be required when the IRS provides indication of a TIN/Name mismatch on your account, or due to your failure to pay federal taxes. See IRS Publication 1281 for more information.

The backup withholding rate is generally equal to the fourth lowest rate of tax for an individual taxpayer. For 2025, a 24% rate applied.

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Capital Losses

Taxpayers who redeemed shares at a capital loss during the year may be able to use those losses to offset other capital gains or, in some cases, ordinary income. The IRS has created several rules in order to discourage loss-oriented selling. Two of these rules, wash sales and long-term capital gain distributions, are detailed below.

Wash sales

If you purchase shares, including reinvested dividends or capital gains, within 30 days before or after you redeemed shares of the same investment for a loss, the redemption will be considered a "wash sale" and some or all of your capital loss will be deferred. The amount of your deferred loss increases the cost basis of the shares purchased which created the wash sale. When those shares are subsequently sold the deferred loss is then allowed. Please consult your tax advisor for more information about wash sale rules.

Long-term capital gain distributions

Capital gain distributions are generally reported as long-term capital gain regardless of how long you owned shares. However, if you received a capital gain on shares owned for less than six months, and subsequently sold the shares at a loss, part or all of the loss on the sale of the shares that would normally be considered short-term, based on the holding period, may be recharacterized as long-term instead. The amount of the loss equal to or less than the capital gain distribution is the amount which will be recharacterized as long-term. The amount of the loss greater than the capital gain distribution remains short-term.

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Conversions & Recharacterizations

Conversion

A conversion occurs when you move assets directly from a Traditional, SEP, or SIMPLE IRA into a Roth IRA. Conversions are reported on Forms 1099-R and 5498 based upon the calendar year in which they occur.

Recharacterization of a contribution

Recharacterization of a contribution occurs when the type of contribution is changed from one type (Traditional or Roth) to the other type, prior to the individual's income tax return due date (including extensions).

Regarding a Recharacterization of a Conversion: Section 13611 of the Tax Cuts and Jobs Act eliminated the ability, under Code section 408A(d)(6), to recharacterize a conversion to a Roth IRA, effective for taxable years beginning 2018. For Roth conversions that occurred in 2017, taxpayers had until the 2017 tax return deadline of October 15, 2018 to undo the conversion.

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Coronavirus-Related Distributions

Section 2202(a)(4)(A) of the CARES Act defines a coronavirus-related distribution as an authorized distribution made to a qualified individual from an eligible retirement plan made on or after January 1, 2020, and before December 31, 2020. Section 2202(a)(2) of the CARES Act limits the aggregate distribution amount, eligible for treatment as coronavirus-related distributions, to no greater than $100,000.

Furthermore, Section 2202(a)(4)(A)(ii) of the CARES Act contains parameters for individuals to qualify for such distributions. The Treasury Department and the IRS may issue guidance expanding the list of factors available to determine who may be designated as a qualified individual.

A coronavirus-related distribution is permitted to be included in income ratably over 3 years. You may generally repay all or part of the amount of a coronavirus-related distribution to an eligible retirement plan, provided that you complete the repayment within three years after the date that the distribution was originally received. Qualified individuals will use Form 8915-E to report both any recontributions made during the taxable year and to determine the amount of a coronavirus-related distribution subject to inclusion as income for the taxable year.

See IRS Notice 2020-50 for more information regarding coronavirus-related distributions and repayments.

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Dividends from U.S. Government Obligations

Some states do not tax their residents on Fund income that is earned directly from U.S. Government obligations. Short-term capital gain distributions, although treated as ordinary income, are generally not eligible for state tax-exemption. A statement indicating the percentage of income earned that was attributable directly to U.S. Government obligations may be included when you receive a Form 1099-DIV.

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Dividends Received Deduction (DRD)

A dividend received by a corporation due to stock ownership in another corporation is included in its gross income. At year-end, that income is taxed to the corporation. When the income is paid out to shareholders in the form of a dividend, it is again taxed to the shareholder. When the dividend payment is made to a corporate shareholder and the distributee corporation subsequently pays these earnings out to its shareholders, triple taxation of the earnings can result. To help relieve this triple taxation, corporations are allowed a Dividends Received Deduction (DRD) for the dividends received from other domestic corporations and from certain foreign corporations.

A Regulated Investment Company (mutual fund) is not entitled to the DRD when computing its taxable income. Instead, because of a mutual fund's conduit treatment, corporate shareholders are generally entitled to the DRD with respect to the qualified ordinary income dividends passed through by the mutual fund. It should be noted that capital gain distributions do not qualify for the DRD, as these distributions are treated as long-term capital gains by the shareholders. DRD designation must be made within 60 days of fiscal year end, therefore the DRD is generally included as a footnote in the mutual fund's financial statements.

See Publication 542 for more information regarding a DRD.

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Excess Contributions

IRA

You will receive Form 5498, detailing the total amount of your contributions. If the excess contribution is removed, you will receive Form 1099-R detailing the amount of the excess contribution that was removed, including any earnings. Please consult IRS Publication 590-A for more information regarding IRS penalties associated with excess contributions.

Coverdell Education Savings Account (CESA)

For CESAs, you will receive Form 5498-ESA, detailing the total amount of your contributions. If the excess contribution is removed, you will receive Form 1099-Q detailing the amount of the excess contribution that was removed, including any earnings. See Publication 970 for more information regarding IRS penalties associated with excess contributions.

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1099-DIV Reallocations

Foreign Tax Credit

To avoid double taxation, foreign sourced income already taxed by a foreign country may be passed through to your account as a foreign tax credit. If applicable, Box 7 of Form 1099-DIV will report the foreign tax credit amount, while Box 1a will be increased by that same amount as shown in Box 7. See IRS Publication 514 for more information

Return of Capital

A portion of a Fund's distribution may be designated as a return of capital. Such a designation removes the return of capital amount from being considered income. The basis in your account is decreased by the return of capital amount. If applicable, Box 3 of Form 1099-DIV will contain the return of capital amount.

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Gift Tax Exclusion

Gift tax is a tax on the transfer of property from an individual to another while receiving nothing, or less than full value, in return. The tax applies whether the donor intends the transfer to be a gift or not. For 2025 a gift of up to $19,000 per donee per calendar year can be given without paying a gift tax. For example, a gift of $20,000 to a donee requires that tax is only paid on the difference of $1,000 for the 2025 tax year. See Publication 559 for more information.

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Qualified Charitable Distributions

The Pension Protection Act provision allowing an income exclusion of up to $108,000 in 2025 for qualified charitable distributions from IRAs paid directly to certain charitable organizations after the IRA owner reached RMD age, was extended through December 31, 2014. The PATH Act of 2015 permanently extended this provision for 2015 and future tax years. See IRS Publication 526 for more information. A qualified charitable distribution may also be allowed from a SEP or SIMPLE IRA designated as “not ongoing.” Please contact the IRS or a tax advisor to determine if your SEP or SIMPLE IRA qualifies for this designation.

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Schedule K-1

A partnership that invests in a mutual fund is eligible to receive Forms 1099-B and 1099-DIV. The partnership is then required to provide Schedule K-1 to each underlying partner, reporting each partner's share of the partnership's income. The partnership is additionally required to file a copy of Schedule K-1 with the IRS. Schedule K-1 inquiries should be forwarded directly to the partnership.

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Tax Assistance

Online Tools and Resources

- Resolve many tax issues online or by phone using the Let Us Help You page available on the IRS website.
- Use the Interactive Tax Assistant or Publication 17, Your Federal Income Tax, a comprehensive tax guide for individuals to locate information quickly.
- Visit Take Steps Now to Get a Jump on Next Year's Taxes page to access IRS information and reminders for this tax year.

IRS Forms and Publications

Access IRS Forms and Publications page to view publications

IRS Services Guide

Check Publication 5136 for additional information on available services from the IRS.

Contact Your Local Office

Locate the closest Taxpayer Assistance Center to make an in-person appointment by visiting the Taxpayer Assistance Center Office Locator.

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