

# Tax Special Report

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Tax reporting

## 2019 tax reporting issue

One easy way to maximize your earning potential is to minimize your taxes. After all, every dollar that goes to Uncle Sam means one less dollar for your future. The more you know about managing your taxes, the easier it can be to keep more of what you earn.

To help you do just that, we've assembled some helpful 2019 tax planning information in this Tax Special Report. Please understand that J.P. Morgan Asset Management and its affiliates do not provide legal or tax advice. You are encouraged to consult your legal or tax advisor for specific information regarding your situation.

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## GATHERING YOUR TAX FORMS

Tax season doesn't have to be complicated. It just takes a little organization and time. First, you'll want to make certain you have all of the paperwork you need. The table below lists the forms that you might receive from J.P. Morgan Asset Management, what the form reports and when it is expected to be mailed.

TAX FORM	WHAT IT REPORTS
1099-DIV 1099-B Mailed by 2/15/2020	These forms are combined into one mailing to help make it easier for you to prepare your tax returns. <b>Form 1099-DIV</b> reports any dividend and capital gain distributions from your J.P. Morgan mutual funds, excluding money market and retirement plan accounts. <b>Form 1099-B</b> is found at the bottom of form 1099-DIV and reports redemption proceeds of any non-money market funds in your non-retirement account.
1099-R Mailed by 2/15/2020	<b>1099-R</b> reports any distributions (including rollovers, recharacterizations and conversions) taken from a retirement plan such as an IRA or any qualified retirement plan, such as a pension, profit sharing, 401(k) plan or tax-deferred annuity.
1099-Q Mailed by 2/15/2020	<b>1099-Q</b> reports distributions from Qualified Education Programs. These would include Coverdell Education Savings Accounts.
Distribution Notice Mailed by 2/15/2020	J.P. Morgan Asset Management produces this notice as a tool for shareholders in tax-exempt, taxable and international mutual funds. The <b>Tax-Exempt Income by Distribution Information</b> section shows the portion of your tax-exempt investment income earned from each state. The <b>Amount Subject to AMT</b> section helps determine if any of your tax-exempt income is subject to the alternative minimum tax (AMT). The <b>Taxable Investment Income</b> section helps investors who received dividends from mutual funds which invested in both taxable and tax-exempt instruments determine if a portion of their dividends can be exempted from state or federal income tax. The <b>Foreign Source Income Percentage</b> section provides the percentages of foreign source income and foreign qualified dividend income for certain mutual funds investing in international securities and having elected to pass-through foreign tax credits.
1042-S Mailed by 3/15/2020 <i>not needed for tax filing</i>	<b>1042-S</b> reports U.S. investment income for accounts owned by non-U.S. citizens.
5498-ESA Mailed by 4/30/2020	<b>5498-ESA</b> reports Coverdell Education Savings Account contributions for the 2019 tax year.
5498 Mailed by 5/31/2020	<b>5498</b> reports IRA account contributions (including rollovers, recharacterizations, conversions, as well as SIMPLE IRA contributions) for the 2019 tax year. Form 5498 for SEP IRAs will only include contributions made in calendar year 2019, regardless of the tax year the contribution is coded for.

## TAKING A CLOSER LOOK AT YOUR TAX FORMS

To make your tax reporting process a little easier, we've combined forms 1099-DIV and 1099-B into one mailing. These forms are important when calculating any income, capital gains or capital losses from your regular mutual fund account. It is important to note that any proceeds taken from a retirement account such as an IRA are excluded from these reports. A separate form, 1099-R, is provided specifically for retirement accounts.

Generally, forms 1099-DIV and 1099-B present information on any dividends paid, redemptions and exchanges made in your J.P. Morgan Asset Management account during 2019.

### Form 1099-DIV

**Form 1099-DIV (Copy B for Recipient) - TAX YEAR 2019**

Department of the Treasury-Internal Revenue Service

RECIPIENT'S TIN: \_\_\_\_\_

(keep for your records)

This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanctions may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

Corrected (if checked)  (OMB No. 1545-0047)

**FORM 1099-DIV 2019**

1a	1b	2a	2b	2c	2d	3	4	5	6	7	8	9	10	11	12	13	14	15
Total ordinary dividends	Qualified dividends	Total capital gain distributions	Short-term capital gain distributions	Long-term capital gain distributions	Collectibles 28% gain	Nondividend distributions	Federal income tax withheld	Foreign tax paid	Foreign tax credit	Charitable contributions	Non-qualified dividends	Exempt interest dividends	Specified private annuity income	State tax withheld	Fund name	Fund's EIN	IRS State	State identification number

Form 1099-DIV \* Please see instructions for additional details.

12 months. Typically, there will be no amount in this box on your J.P. Morgan 1099-DIV.

**Box 3. Nondividend distributions.** This amount represents the return of your cost (or other basis) and is nontaxable. When you redeem or exchange shares, the cost basis is reduced by the amount in this box. If all of the cost is returned, you must report future nontaxable distributions as a taxable capital gain, even though this form reports them as nontaxable distributions. Please see IRS Publication 550, Investment Income and Expenses, or consult your tax advisor for additional assistance regarding your specific situation.

**Box 1a. Total ordinary dividends.** Shows total ordinary dividends that are taxable. You should include this amount on line 3b of Form 1040. Also, you should report it on Schedule B of Form 1040, if required.

**Box 1b. Qualified dividends.** Shows the portion of the amount in Box 1a that may be eligible for reduced capital gains rates. See the Form 1040 instructions or consult your tax advisor for specific advice on how to determine this amount. Once determined, report the eligible amount on line 3a of Form 1040.

**Box 2a. Total capital gain distributions.** The amount of the fund distributions that is taxable as total long-term capital gains. For mutual fund purposes, a capital gain earned on any security held by the fund (not by the shareholder themselves) for more than 12 months is categorized as long-term. This amount should be reported on Schedule D (Form 1040), line 13. But, if no amount is shown in Boxes 2c-2d of any 1099-DIV you receive, and your only capital gains and losses are capital gain distributions, you may be able to report the amount on line 13 of Schedule 1 of Form 1040. Please see Form 1040 instructions or consult your tax advisor for specific advice.

**Box 2b. Unrecaptured section 1250 gain.** An amount may be found in this column for certain funds that invest primarily in real estate securities. The gain is from certain depreciable real estate property. If there is an amount in this box on your 1099-DIV you should see Schedule D (Form 1040) for instructions.

**Box 2d. Collectibles 28% rate gain.** The 28% rate gain is primarily from gains on the sale or exchange of collectibles held for more than

**Box 4. Federal income tax withheld.** If you did not provide us with a Social Security or Tax Identification number, we are required to withhold a percentage of your reportable dividends. This amount is shown in Box 4 and is the portion of your reportable dividends and other distributions paid to the IRS under the 24% Backup Withholding Rule. This amount should be included as tax withheld on your income tax return.

**Box 5. Section 199A dividends.** Shows the amount of Box 1a that may be eligible for the 20% qualified business income deduction. See form 1040 instructions or consult your tax advisor for specific advice to determine your eligibility. Once determined, report the eligible amount on line 9 of Form 1040.

**Box 7. Foreign tax paid.** The amount listed in this box represents your share of foreign taxes paid by a mutual fund. You may be able to claim foreign taxes paid as an itemized deduction or credit. Please refer to IRS Form 1040 instructions or consult your tax advisor for personalized assistance.

**Box 11. Exempt-interest dividends.** Includes exempt-interest dividends from a mutual fund.

**Boxes 13, 14, 15. State Income Tax withheld.** These three boxes indicate state, state identification number and state tax withheld.

# Form 1099-B

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number.

RECIPIENT'S name, street address (including apt. no.), city or town, state or province, country, and ZIP or foreign postal code.

**Copy B For Recipient**  
Department of the Treasury-Internal Revenue Service  
**TAX YEAR 2019**

This is important tax information and is being furnished to the IRS (except as indicated). If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported. You are ultimately responsible for the accuracy of your tax return.

RECIPIENT'S TIN

(keep for your records)

Corrected (if checked)  (OMB No. 1545-0715)

**FORM 1099-B • PROCEEDS FROM BROKER AND BARTER EXCHANGE TRANSACTIONS • 2019**

Short-term transactions for which basis is reported to the IRS; report on Form 8949, Part I with Box A checked.

(a) Description of property	(b) Share Price**	(c) Quantity Sold**	(d) Date acquired	(e) Date disposed or realized	(f) Net proceeds	(g) Cost or other basis	(h) Wash sale loss disallowed	(i) Proceeds from SSP	(j) IR - Federal income tax withheld	(k) Non-covered security	(l) State tax	(m) State identification no.	(n) State tax withheld	(o) Cost Basis Method**	(p) Cost Basis**
Fund			Fund Acct. no.					FAIRER 3 TIN		CDSP no.				Cost Basis Method**	
Fund			Fund Acct. no.					FAIRER 3 TIN		CDSP no.				Cost Basis Method**	
<b>FUND TOTAL:</b>															

Short-term transactions for which basis is NOT reported to the IRS; report on Form 8949, Part I with Box B checked.

(a) Description of property	(b) Share Price**	(c) Quantity Sold**	(d) Date acquired	(e) Date disposed or realized	(f) Net proceeds	(g) Cost or other basis	(h) Wash sale loss disallowed	(i) Proceeds from SSP	(j) IR - Federal income tax withheld	(k) Non-covered security	(l) State tax	(m) State identification no.	(n) State tax withheld	(o) Cost Basis Method**	(p) Cost Basis**
Fund			Fund Acct. no.					FAIRER 3 TIN		CDSP no.				Cost Basis Method**	
Fund			Fund Acct. no.					FAIRER 3 TIN		CDSP no.				Cost Basis Method**	
<b>FUND TOTAL:</b>															

If you redeemed or exchanged mutual fund shares in 2019, other than money market funds or a retirement account, you'll find your **Form 1099-B** combined with your **Form 1099-DIV**. **Form 1099-B** reports the proceeds from any sales of non-money market funds in non-retirement accounts and is used to calculate capital gains and losses. Based on the various segregations required by the publication, the 1099-B may be broken into five sections as follows: 1. Short-term transactions for which basis is reported to the IRS, 2. Short-term transactions for which basis is not reported to the IRS, 3. Long-term transactions for which basis is reported to the IRS, 4. Long-term transactions for which basis is not reported to the IRS and 5. Transactions for which basis is not reported to the IRS and for which short- or long-term determination is unknown. Please see the enclosed 'How to Read Your 2019 Form 1099-B' for more information.

**Box 1a. Description of Property.** Fund name, share price and quantity of fund shares sold.

**Boxes 1e, 5. Cost or other basis, Non-Covered Security.** Shows the cost or other basis of shares sold. Box 1e may be blank if box 5 indicates shares were non-covered. Non-covered shares are not subject to cost basis reporting.

**Boxes 14, 15, 16. State Income Tax withheld.** These three boxes indicate state, state identification number and state tax withheld.

# Form 1099-Q

PAYER'S/TRUSTEE'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number.

RECIPIENT'S name, street address (including apt. no.), city or town, state or province, country, and ZIP or foreign postal code.

**TAX YEAR 2019**  
**Payments From Qualified Education Programs (Under Sections 529 and 530)**  
(OMB No. 1545-1760)  
**Form 1099-Q Copy B For Recipient**  
Department of the Treasury-Internal Revenue Service  
(keep for your records)

This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

RECIPIENT'S TIN

PAYER'S/TRUSTEE'S TIN

Corrected (if checked)

**Form 1099-Q • 2019**  
**PAYMENTS FROM QUALIFIED EDUCATION PROGRAMS (UNDER SECTIONS 529 AND 530)**

Fund-Acct. no.	(1) Gross distribution*	(2) Earnings **	(3) Basis	(4) Trustee-to-trustee transfer	(5) Distribution is from:	(6) If this box is checked, the recipient is not the designated beneficiary	Coverdell ESA fair market value (FMV) as of 12-31-19**
Fund:				<input type="checkbox"/>		<input type="checkbox"/>	

**Form 1099-Q** \* For Coverdell ESA Accounts, please see Publication 970 (Tax Benefits for Education) for information about how to calculate the earnings portion of the gross distribution.  
\*\* For Coverdell ESA Accounts, the earnings amount shown includes earnings on excess contribution returns only.

**Box 1. Gross distribution.** Shows the gross distribution paid to you this year from a Coverdell ESA (section 530). This amount is the total of the amounts shown in Boxes 2 and 3. If no amounts appear in Boxes 2 and 3, see Publication 970 for more information or consult your tax advisor for how to calculate your earnings and basis.

**Box 2. Earnings.** Shows the earnings part of the gross distribution shown in Box 1.

**Box 3. Basis.** Shows the basis part of the gross distribution shown in Box 1.

**Box 4. Trustee-to-trustee transfer.** This box is checked if the amount in Box 1 was transferred from one education program to another in a trustee-to-trustee transfer. However, this box may or may not be checked if the transfer was made from a Coverdell ESA (see 1099-Q instructions).

## Form 1099-R

**FORM 1099-R • Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. • 2019**  
OMB No. 1545-0119

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.

**Copy B**

1 Gross distribution

2a Taxable amount

2b Taxable amount not determined

3 Total distribution

4 Federal income tax withheld

7 Distribution code(s)

12 State tax withheld

If you received distributions (including rollovers, recharacterizations and conversions) from a J.P. Morgan retirement plan such as an IRA or 403(b), you'll receive a Form 1099-R from us that reports these proceeds. This information is also reported to the IRS and should be included on your 1040 form. You may receive a similar form from pensions, annuities and other retirement plans from which you received distributions in 2019.

**Box 1. Gross distribution.** This includes the total of any distributions made in 2019 from your IRA or other qualified retirement plan account, including any income tax withheld. This amount should be reported on line 4a, IRAs, pensions and annuities, on Form 1040, or on Form 8606. Form 8606 should be used to determine the taxable amount of the distribution if the distribution is from a Roth IRA or Traditional IRA to which you have made non-deductible contributions.

**Box 2a. Taxable amount.** Here you'll find the taxable amount of your distribution if J.P. Morgan Asset Management has sufficient information to calculate the taxable amount. Otherwise, Box 2b will be checked. If we were unable to determine the taxable amount of your distribution, please consult your tax advisor for assistance to determine the taxable amount. For IRAs, amounts in Boxes 1 and 2a will be the same most of the time, and Box 2b will usually be checked.

**Box 4. Federal income tax withheld.** This box shows any federal income tax withheld from your distributions. Generally, the custodian of an IRA (i.e., the company that maintains your IRA account) is required by law to withhold income taxes on any distribution unless you have elected in writing not to have tax withheld. The amount in this box should be reported on your income tax return as federal income tax withheld. Other retirement plans, like 403b, may have required withholding from most distributions without any elections to not have tax withheld.

**Box 7. Distribution code.** This code describes the type of distribution taken. If the code is 1, you may have to file Form 5329, Additional Taxes on Qualified Plans. However, if you rolled over the entire distribution within 60 days in a qualifying rollover, Form 5329 may not be required. If you had a direct rollover to an IRA or another qualified plan, the code will be G, and you will not need to file Form 5329. For more information, please see Form 5329, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts, or consult your tax advisor.

## Forms 5498 and 5498-ESA

**FORM 5498-ESA • COVERDELL ESA CONTRIBUTION INFORMATION • 2019**

1 IRA CONTRIBUTION INFORMATION

2019

1 2 3 4 5 6 7 8 9 10 11 12

13

If you made contributions (including rollovers, recharacterizations and conversions) to your IRA or Coverdell Education Savings Account for the tax year of 2019, you'll receive **Form 5498** or **5498-ESA** which report these contributions. Form 5498 for SEP IRAs will only include contributions made in calendar year 2019, regardless of the tax year the contribution is coded for. These forms are mailed after the 2019 tax reporting period. Although you do not need these forms to prepare your tax return, you may find them valuable when you begin taking distributions from your account. We suggest that you keep these forms for your records. The various boxes on the forms detail the type of contributions you made during the tax year. One item to note, Box 11 of **Form 5498** will be marked for any IRA accounts where the account owner must take a required minimum distribution (RMD) in 2020.

## Distribution Notice

**J.P. Morgan Funds 2019 Distribution Notice**

To assist you in preparing your 2019 Income Tax returns, we're pleased to provide this distribution notice for your J.P.Morgan Fund investment.

If you are unclear about any of the information in this distribution notice, please call 1-800-480-4111. We also recommend you consult your tax advisor with specific questions about your 2019 return.

We appreciate the trust you have placed in us and look forward to serving your investment needs in the future.

**Tax-Exempt Income Distributions: Exemptions from Federal and State Taxes**

Please note tax-exempt income dividends paid by the tax-free funds in 2019 are exempt from Federal Income Tax and will be reported on Form 1099-DIV. While still exempt from Federal Income Tax, such amounts will be reported to the Internal Revenue Service. Box 11 of the Form 1099-DIV shows your Tax-exempt income dividends.

A portion of your 2019 income distributions may also be exempt from state income tax. You will need to utilize the state-specific percentages presented in the "2019 Tax-Exempt Income Distribution Information" table to determine this amount. Please consult your tax advisor regarding the tax status of fund distributions in your state.

In addition, check with your tax advisor to see if your state exempts interest earned from U.S. possessions, such as Puerto Rico.

**Important Alternative Minimum Tax Information**

The percentage of your total 2019 tax-exempt income dividends subject to the Alternative Minimum Tax is shown under "Amount Subject to AMT" at the bottom of the "2019 Tax-Exempt Income Distribution Information" table. In addition, any tax-exempt income distributions subject to the AMT are shown in Box 12 of your 1099-DIV.

**Important State Tax Information**

We combine your tax-exempt income by state, income subject to AMT, non-taxable state income and foreign tax credit worksheets into a convenient distribution notice for you. This notice is sent to investors in tax-exempt, taxable bond or international mutual funds. Specific explanations of these are included with the report.

## Form 1042-S

Form <b>1042-S</b>		Foreign Person's U.S. Source Income Subject to Withholding		<b>2019</b>		OMB No. 1545-0096	
Department of the Treasury Internal Revenue Service		Go to <a href="http://www.irs.gov/Form1042S">www.irs.gov/Form1042S</a> for instructions and the latest information.		UNIQUE FORM IDENTIFIER		AMENDED <input type="checkbox"/> AMENDMENT NO.	
1 Income code		2 Gross income		3 Chapter indicator: Enter "3" or "4"		13e Recipient's U.S. TIN, if any	
5 Withholding allowance		3a Exemption code		4a Exemption code		13f Ch. 3 status code	
6 Net income		3b Tax rate		4b Tax rate		13g Ch. 4 status code	
7a Federal tax withheld		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		13h Recipient's GILN	
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)		13i Recipient's foreign tax identification number, if any	
11 Tax paid by withholding agent (amounts not withheld) (see instructions)		12a Withholding agent's EIN		12b Ch. 3 status code		12c Ch. 4 status code	
12d Withholding agent's name		12e Withholding agent's address		12f Withholding agent's telephone number		13j LOB code	
12g Withholding agent's Global Intermediary Identification Number (GIIN)		14a Primary Withholding Agent's Name (if applicable)		14b Primary Withholding Agent's EIN		15 Check if pro-rata basis reporting <input type="checkbox"/>	
		14c Intermediary or flow-through entity's name		14d Intermediary or flow-through entity's EIN		15a Intermediary or flow-through entity's EIN, if any	
		15b Intermediary or flow-through entity's GILN		15c Ch. 3 status code		15d Ch. 4 status code	
		15e Intermediary or flow-through entity's GILN		15f Country code		15g Foreign tax identification number, if any	

This form is mailed in mid-March and reports U.S. source income earned by non-U.S. citizens and is subject to U.S. withholding tax. Since the U.S. tax laws governing foreign investors are complex, we suggest that you consult a tax professional for specific advice.

**Box 1. Income code.** These codes identify the type of income being reported. Code 06 represents dividends paid by U.S. corporations, and Code 09 is capital gains paid.

**Box 2. Gross income.** This box shows the gross amount of income paid to you for the year.

**Box 3a or 4a. Exemption code.** Exemption codes in boxes 3a and 4a are used if any of the amounts reported are exempt from chapter 3 and chapter 4 withholding, respectively. Please refer to IRS Form 1042-S instructions or consult your tax advisor.

**Box 3b or 4b. Tax rate.** These boxes report the tax rates for your withholding under chapter 3 and chapter 4, respectively. Please refer to IRS Form 1042-S instructions or consult your tax advisor.

**Box 7a. U.S. federal tax withheld.** This box reports the amount of federal tax withheld during the calendar year, net of any tax released. You can verify this amount by multiplying the amount in Box 2 by the tax rate in Box 3b or 4b.

**Box 13b. Recipient Country Code.** This shows the code for your country of residence.

## NEED HELP?

J.P. Morgan Asset Management and its affiliates do not provide individual tax advice. We suggest investors consult their tax advisor for advice specific to their situation. If, however, you need assistance with a specific tax form or need a duplicate copy, we're happy to be of assistance. Here are some handy phone numbers that might help you through tax season.

## J.P. Morgan Asset Management

INVESTOR SERVICES  
**800 480 4111**

WEB SITE  
[www.jpmorganfunds.com](http://www.jpmorganfunds.com)

## IRS contact information

IRS RECORDED TOPICS LINE  
**800 829 4477**

IRS HELP LINE  
**800 829 1040**

IRS PAMPHLET ORDER LINE  
**800 829 3676**

IRS WEB SITE  
[www.irs.gov](http://www.irs.gov)

This is a general communication being provided for informational purposes only. It is educational in nature and not designed to be a recommendation for any specific investment product, strategy, plan feature or other purpose. Any examples used are generic, hypothetical and for illustration purposes only. Prior to making any investment or financial decisions, an investor should seek individualized advice from a personal financial, legal, tax and other professional advisors that take into account all of the particular facts and circumstances of an investor's own situation.

The information above is not intended to provide and should not be relied on for accounting, legal and tax advice or investment recommendations. The views and strategies described may not be suitable to all readers. Please contact your financial professional or tax advisor for additional information.

**Contact JPMorgan Distribution Services at 800-480-4111 for a fund prospectus. You can also visit us at [www.jpmorganfunds.com](http://www.jpmorganfunds.com). Investors should carefully consider the investment objectives and risks as well as charges and expenses of the mutual fund before investing. The prospectus contains this and other information about the mutual fund. Read the prospectus carefully before investing.**

J.P. Morgan Funds are distributed by JPMorgan Distribution Services, Inc., which is an affiliate of JPMorgan Chase & Co. Affiliates of JPMorgan Chase & Co. receive fees for providing various services to the funds. JPMorgan Distribution Services, Inc. is a member of FINRA.

J.P. Morgan Asset Management is the brand name for the asset management businesses of JPMorgan Chase & Co. Those businesses include, but are not limited to, J.P. Morgan Investment Management Inc., Security Capital Research & Management Incorporated and J.P. Morgan Alternative Asset Management, Inc.

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