

2016 Tax preparation guide for your Putnam accounts

Everything you need to know to transfer information from your Putnam Form 1099-DIV to your IRS tax forms, plus other useful information.

IMPORTANT RESOURCES

Online information

Your Putnam tax forms and other useful tax information are available online at putnam.com. If you do not have a password, call Putnam at **1-800-225-1581** to obtain one.

Putnam's website, including the online **Tax Center**, will provide important information that you will need to complete your taxes, including:

- Putnam tax forms and IRS Schedule D information that you can download and print
- Mutual fund information (including the funds that paid taxable dividends and capital gains), your cost basis information, and answers to frequently asked questions
- IRS publications
- History of your Putnam accounts, including your quarterly statements
- Fund prospectuses and shareholder reports

Assistance by telephone

If you need additional assistance, call Putnam Investor Services directly at **1-800-225-1581**, Monday through Friday, 8:00 a.m.–8:00 p.m. Eastern Time.

For Internal Revenue Service taxpayer assistance, call 1-800-TAX-1040 or visit the IRS website at www.irs.gov.

FREQUENTLY ASKED QUESTIONS

Why did I receive Form 1099-DIV if my dividends were reinvested and I never received any cash?

The IRS requires us to report any income earned on mutual funds even if you reinvest them in your account.

Why doesn't my Form 1099-DIV match my annual statement?

Putnam determines each fund's taxable income and capital gains after mailing your annual statement. At year-end, it is

sometimes necessary for Putnam to adjust a fund's distributions to properly reflect the fund's actual taxable income and capital gain for the year. This process is known as reallocation. If a reallocation occurred on a fund in which you have an investment, the information provided on your annual statement and your Form 1099-DIV will differ. For tax purposes, you should use your tax forms and not your annual statement.

What are qualified dividends?

Qualified dividends are those received by an individual shareholder from domestic or qualified foreign corporations that may be eligible (depending on the holding period) to be taxed at the reduced capital gains tax rates. Review IRS Publication 550 or consult with your tax advisor for more information on qualified dividends.

What are the holding period requirements associated with qualified dividends?

Generally, a security must be held for at least 61 days of the 121-day holding period, beginning 60 days before the security's ex-dividend date, to qualify for favorable tax treatment of the dividend. With distributions from mutual funds, the holding period requirement applies on both the fund level and the shareholder level. This means that in order for a dividend to be qualified, the fund must have held the security for at least 61 days of the 121-day period. On your Form 1099-DIV, Putnam will provide you with the total of qualified dividends, based on the fund's holding period; however, in order for the dividend to actually qualify, you must have also held the mutual fund shares for at least 61 days of the 121-day period. To calculate your holding period, count the number of days you held the shares starting with the day after the shares were purchased. If the shares were sold, count the number of days held, including the date sold.

What is "specified private activity bond interest"?

If you are subject to the alternative minimum tax (AMT), then this amount needs to be reported as a tax preference item on Form 6251. If the fund invests in certain private activity bonds, then the income subject to the AMT will be shown on Form 1099-DIV.

This illustration will help you transfer information from your Putnam Form 1099-DIV to your IRS tax forms.

1099-DIV

This form reports the following: dividend distributions, taxable dividends, exempt interest dividends, and qualified dividends. It will also report any capital gain distributions, non-dividend distributions, federal income tax, foreign tax paid, and specified private bond activity. Please consult your tax advisor or state tax authority regarding the state tax treatment of dividends, including income from U.S. Treasury obligations.

IRS FORM 1040

- 1a** Enter on Line 9a: Ordinary dividends
Attach Schedule B (if required)

- 1b** Enter on Line 9b: Qualified dividends

- 2a** Enter on Line 13: Capital gain or (loss)
Attach Schedule D (if required)

- 4** Enter on Line 64: Federal income tax withheld

- 6** Enter on Line 40: For deduction: Itemized deductions
Attach Schedule A; or

- 6** Enter on Line 48: For credit: Foreign tax credit
Attach Form 1116 (if required)

- 10** Enter on Line 8b: Tax-exempt interest

- 11** Complete Form 6251 (if applicable) in order to complete Line 45.

IRS SCHEDULE A (1040)

- 6** Enter on Line 8: Other taxes

IRS SCHEDULE B (1040)

- 1a** Enter on Line 5: List payer (fund) name and ordinary dividends

IRS SCHEDULE D (1040)

- 1b** Complete Line 22: Qualified dividends

- 2a** Enter on Line 13: Gain or (loss)
Capital gain distributions

- 3** Complete Part I: **Short-term** Use IRS Publication 550 to determine this information (if required)

- 3** Complete Part II: **Long-term** Use IRS Publication 550 to determine this information (if required)

IRS FORM 1040A

- 1a** Enter on Line 9a: Ordinary dividends
Attach Schedule B (if required)

- 1b** Enter on Line 9b: Qualified dividends

- 2a** Enter on Line 10: Capital gain distributions (if applicable)

- 4** Enter on Line 40: Federal income tax withheld

IRS SCHEDULE B (1040A)

- 1a** Enter on Line 5: List payer (fund) name and ordinary dividends

Putnam is not responsible for the accuracy of your tax filing, and we suggest you consult your tax advisor to ensure that you are filing the most complete and accurate information.

To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. tax advice contained herein is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding U.S. tax penalties.