

Please read

Putnam is required to deliver (escheat) abandoned assets to the state of the shareholder's last known address in accordance with individual state abandoned property laws. While each state has its own law, undeliverable mail and account inactivity over a defined period of time (dormancy period) are typical triggers for escheatment, along with your age and the type of account you have with Putnam. Recent changes in the federal tax treatment of assets escheated to a state may have significant consequences.

“Starting in 2020, abandoned retirement accounts will become subject to income taxes upon being escheated to the state.”

For example, if you have an Individual Retirement Account (IRA) with a balance of \$50,000 and that account is subject to escheatment to the state in which you reside, the IRS now requires that Putnam (1) process a distribution from the IRA and withhold federal income tax from the payment at a rate of 10% and (2) report the payment on Form 1099-R, identifying the IRA owner as the recipient. This means that the entire distribution of \$50,000 may represent taxable income to you in the year your account is escheated, and you may also be subject to a penalty tax for early withdrawal (if under the age of 59½).

Simple steps to prevent your account from escheatment



There are several steps you can take to reduce the risk of your Putnam account being escheated, such as:

- **Make sure we have your current address listed on your account**
- **Access your account via Putnam's individual investor website at Putnam.com**
- **Deposit all Putnam-issued checks promptly**
- **Call into Putnam's call center**

You can access state unclaimed property websites to obtain additional information by visiting www.unclaimed.org