Updated tax documents and income reclassification

Broker-dealers, including Ameriprise Financial, sometimes receive income reclassifications, revised tax information and other similar adjustments from companies that issue investment products such as stocks, bonds or mutual fund shares after we have delivered tax documents to clients.

If you own *Ameriprise*® brokerage account(s) or Managed Account investment(s) that are not part of an IRA or other retirement plan, the issuer of the investments you hold may notify us of reclassifications to income which may result in updates to the previous year tax documents you have already received from Ameriprise Financial. We understand the importance of sending you updated tax documents promptly after we are notified. Most updated tax documents resulting from an income reclassification occur in March through early April but can occur any time throughout the year.

If you receive an updated tax document, please work with a qualified tax professional to determine how these changes may affect your tax returns.

Explanation of income reclassification

Income reclassification refers to changes that companies make to all or part of previously reported dividend (or interest) income to some other tax classification.

- **Return of capital**. A reclassification from a taxable dividend to a return of capital can occur in many types of investments such as stock of companies, mutual funds, Real Estate Investment Trusts (REITs), etc., due to the following sequence of events:
  - A dividend is paid which is believed to be a distribution of a company's earnings and profits.
  - A distribution by a corporation is taxed as a dividend to the extent of the corporations' earnings and profits. Any portion of a distribution that exceeds the corporation's earnings and profits is generally a non-taxable return of capital.
  - In some cases, a company may realize after the end of the year that its distributions exceeded its earnings and profits.
  - In this situation, all or part of the distribution may be reclassified from a taxable dividend to a return of capital which is generally non-taxable.[1]

- **Change in tax treatment of distributions**. In addition to return of capital, other types of reclassifications can occur for investments such as mutual funds, Exchange Traded Funds (ETFs), Unit Investment Trusts (UITs) or REITs, because they make dividend distributions which may include other income types which

qualify for special tax treatment, e.g., capital gain distributions or exempt-interest dividends. The most common types of reclassifications, other than return of capital, are:

- Dividend to long-term capital gain distribution
- Long-term capital gain distribution to dividend
- Exempt-interest dividend to taxable dividend

Other types of changes to income reported on tax documents may occur but are less common.

- **Information reported after deadline.** Year-end tax documents sent to you by the IRS mailing deadline[2] report the information we've received to date about the investments.
  - This information may change later because issuers update their tax information as part of their year-end audit and reporting processes.

- **Investment type.** Income reclassifications are more likely for certain investments.
  - To understand if your investments may be impacted, review the Investment types most likely to reclassify each year article at ameriprise.com/financial-goals-priorities/taxes.
  - If you own an investment likely to reclassify, talk to your tax advisor about the best time for you to file your tax returns. Waiting until early April to file your tax returns may help reduce the possibility of having to file amended returns.

Tips to help you during tax season

- Most companies provide updated income information by late March, but may provide updated income information up to, and even past the individual tax return filing deadline every year.
- Financial services companies that receive updated income information from a company / investment may provide updated tax reporting information to their clients who own that investment[3].
- You may receive multiple updated tax documents, mailed at different times, if you own multiple investments that provide updated income information[3].
- Copies of updated tax documents form can generally be viewed online when they're mailed.
  - Log in to your account on ameriprise.com and select Documents to locate and view your tax documents.
  - Share new tax documents automatically with trusted third parties, such as your tax professional. Log in today to set up auto-sharing.
- Most income reclassifications are reported on Form 1099-DIV, Dividends and Distributions.
- Tax updates can also include other documents depending on the information provided by the issuing company and the activity within the account.
- Reclassifications that change cost basis information for both covered and noncovered[4] investments (i.e., return of capital) may result in an updated Form 1099-B, Proceeds From Broker and Barter Exchange Transactions, if some or all of the underlying investment was sold during the year, but after the payment of a distribution that was later reclassified.

- You may wish to consider waiting until early April to file your tax returns to reduce the possibility of having to file amended returns and the associated refiling costs.
- Consult your tax advisor or attorney regarding your specific situation.

If you receive updated tax documents, here's what you should know:

- We will only mail the tax document(s) being updated or any new tax documents. If you previously received other 2026 tax documents that don't require updates, they will not be produced or mailed again.
- The word "CORRECTED" will be printed at the top of the document along with the date of correction to help you identify the latest version.
- New tax documents mailed after the IRS deadline, when no previous tax document was sent for an account, will not say "CORRECTED".
- Your updated tax package will include a statement called "Summary of Changes from Previous Statement" to make it easier for you to find the updates to your tax reporting,
  - The "Summary of Changes from Previous Statement" will list the previous value, the corrected value and the amount of change by box number.
  - See "End-notes" on your tax documents for additional information.
- Additional imports or manual adjustments may be needed if you previously used the *Ameriprise* tax download tool or imported your tax data to tax preparation software or online returns such as the tools sponsored by *TurboTax®, H&R Block®* or *TaxAct®*.
  - The Package ID and Document ID printed on your amended tax package, which are your login credentials, will be the same as the Package ID and Document ID on the original tax package. Any subsequent import using these login credentials will capture the most up-to-date tax data for all accounts with 2026 tax data available for import from that package, including updates.
  - For more information review the *TurboTax®* FAQ, *H&R Block®* FAQ or the *TaxAct®* FAQ articles at ameriprise.com/financial-goals-priorities/taxes.

Contact

For questions about your account(s) contact:

- Your Ameriprise financial advisor
- Ameriprise Financial client service center at 800.862.7919, choose option 3 at the prompt

[1]A return of capital also reduces the cost basis of the stock, fund, or other investment. If the cost basis is reduced to zero any further distributions are treated as a capital gain,

[2]The IRS mailing deadline is Feb. 16, 2027, for Form 1099-B, Proceeds From Broker and Barter Exchange Transactions, and other forms related to an account that may receive Form 1099-B, even if no Form 1099-B is required because no sale occurred in the account. The Form 1099-B reports sales of securities.

[3]The Protecting Americans from Tax Hikes (PATH) Act provides that tax statements are not required to be corrected when the change is $100 or less ($25 for tax withholding). This is the De Minimis Safe Harbor rule. For more information see Tax filing FAQ.

[4]For more information about mandatory cost basis reporting requirements and for definition of covered and noncovered investments visit Cost basis reporting FAQ.

Ameriprise Financial, Ameriprise Certificate Company and their affiliates do not offer tax or legal advice. Consult your tax advisor or attorney regarding your specific tax situation.

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