



# Cost Basis: What you need to know

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# Welcome

## Today's Agenda

- Cost basis reporting – Overview and 2014 requirements
- Review: Bifurcation of securities eligible for average cost
- Locating cost basis information on Fidelity.com
- Review Fidelity's 2012 Tax Reporting Statement
- Q&A

# Today's panelists

## **Fidelity specialists**

- Ellen Bocina, Vice President, Product Development
- Jeff Brown, Vice President, Product Development
- Carlos Cartaya, Vice President, Tax Services

# Cost basis reporting

Overview and 2014 requirements

# Recap of the reporting requirements

## Broker-dealers, including mutual fund companies, must:

- Report adjusted cost basis on the IRS Form 1099-B for the sale of covered securities and indicate whether the holding period for these securities was long- or short-term
- Provide cost basis on the transfer of positions to another broker

## Covered securities and cost basis implementation schedule\*

**2011**

Stock in a corporation,  
purchased on or after  
January 1, 2011

**2012**

Securities eligible for  
average cost (mutual  
funds and DRIP),  
purchased on or after  
January 1, 2012

**2014 & beyond**

Options, fixed income, and  
other securities as  
determined by the IRS,  
purchased on or after  
January 1, 2014

\* Based on final regulations issued in October 2010

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# Cost basis for corporate accounts

**Cost information for S Corp accounts is now reported to the IRS.**

This includes:

- Gross proceeds for sales of all securities
- Cost basis reporting for sales of covered securities

## **Call to Action:**

- All corporate account owners should have certified their tax status with Fidelity by 12/31/2011
- *Especially important* for account owners who are C Corporations and LLCs to complete certification process in order to avoid misclassification
- Contact a Fidelity Representative at 1-800-544-6666 if you have accounts requiring certification

# Bifurcation of securities eligible for average cost

What does it mean?

# Understanding bifurcation

## What is bifurcation?

- Separate average cost calculations for noncovered and covered shares

## What types of average cost positions are bifurcated?

- Positions that include both noncovered and covered shares
  - Shares acquired prior to January 1, 2012
  - Additional share purchases that occur on or after January 1, 2012 of the same mutual fund

## What happens when a position is bifurcated?

- Fidelity is required to track the holding as two sub-positions based on noncovered and covered shares
- Each of these sub-positions will maintain its own calculated average cost
- Cost basis for covered lots is reported to the IRS
- Cost basis for noncovered lots is not reported to the IRS

# Example: How a position becomes bifurcated

## Shares of ABC mutual fund: Transaction history

Tax lot	Acquisition Date	Quantity	Cost per share	Average cost per share
1	3/30/2009	100	\$10.00	\$12.00
2	10/25/2009	100	\$12.00	
3	5/10/2011	100	\$14.00	

Average cost based on 300 shares purchased BEFORE 1/1/2012

For illustrative purposes only.

☐ Noncovered ☒ Covered

# Example: How a position becomes bifurcated

## Shares of ABC mutual fund: Transaction history

Tax lot	Acquisition Date	Quantity	Cost per share	Average cost per share
1	3/30/2009	100	\$10.00	\$12.00
2	10/25/2009	100	\$12.00	
3	5/10/2011	100	\$14.00	
4	2/10/2012	100	\$16.00	\$18.25
5	6/15/2012	100	\$18.00	
6	12/15/2012	100	\$19.00	
7	5/30/2013	100	\$20.00	

Average cost based on 300 shares purchased BEFORE 1/1/2012

Average cost based on additional 400 shares purchased AFTER 1/1/2012

For illustrative purposes only.



Noncovered



Covered

# Example: What happens if a client sells 100 shares?

## Shares of ABC mutual fund: Remaining tax lots

Tax lot	Acquisition Date	Quantity	Cost per share	Average cost per share
<del>1</del>	<del>3/30/2009</del>	<del>100</del>	<del>\$10.00</del>	\$12.00
2	10/25/2009	100	\$12.00	
3	5/10/2011	100	\$14.00	
4	2/10/2012	100	\$16.00	\$18.25
5	6/15/2012	100	\$18.00	
6	12/15/2012	100	\$19.00	
7	5/30/2013	100	\$20.00	

No change in average cost, even though 200 shares remain

No change in average cost on the additional 400 shares

For illustrative purposes only.



Noncovered










Covered

# Fidelity.com

Locating cost basis information

# Viewing a bifurcated position on Fidelity.com

Noncovered and covered shares will be tracked and reported separately.

			Most Recent			Change Since Close		Change Since Purchase		Cost Basis		
Symbol ▲	Description	Quantity	Price	Change	Value	Dollar	Percent	Dollar	Percent	Per Share	Total	Action
FCASH **	Cash	100.360	\$1.00	\$0.00	\$100.36	n/a	n/a			Not Applicable		
 FBALX	FIDELITY BALANCED	14.489	\$19.88	\$0.01	\$288.04	\$0.14	0.05%	\$25.32	9.64%	\$18.13	\$262.72a	
	Reported ⓘ	1.885	\$19.88	\$0.01	\$37.47	\$0.00	0.00%	+\$0.69	+1.88%	\$19.51	\$36.78	
Term Short	Acquired 10/12/2012	0.065	\$19.88						+1.82%	\$19.51	\$1.23	
Short	07/06/2012	0.960	\$19.88						+1.89%	\$19.51	\$18.73	
Short	04/04/2012	0.862	\$19.88						+1.88%	\$19.51	\$16.82	
	Unreported ⓘ	12.604	\$19.88						+10.90%	\$17.93	\$225.94	
Long	Acquired 12/16/2011	2.455	\$19.88						+10.91%	\$17.93	\$44.04	
Long	07/08/2011	4.176	\$19.88		\$83.01	\$0.04	0.05%	+\$8.16	+10.90%	\$17.93	\$74.86	
Long	04/06/2011	2.493	\$19.88	\$0.01		\$0.02	0.05%	+\$4.87	+10.90%	\$17.93	\$44.69	
Long	02/07/2011	3.478	\$19.88						+10.89%	\$17.93	\$62.35	
 FIGRX	FIDELITY INT'L DISCOVERY	2.427	\$31.71						known	\$0.00	Enter Cost	
 OAKBX	OAKMARK EQUITY & INCOME FD I	1.727	\$28.86						24.57%	\$23.17	\$40.01a	
									11.61%			
Totals:					\$515.20	\$0.14		\$35.15				

For illustrative purposes only.

# Converting from average to actual cost

1. Select **Accounts & Trade**, then **Update Accounts/Features**
2. Choose **Cost Basis Information Tracking**
3. Find the Mutual Fund position, and click **Convert**



JOINT TBE (XXXXXXXXXX)			
Description	Symbol	Cost Basis Information	
FIDELITY CONTRAFUND	FCNTX	Average Cost Single Category	<a href="#">Convert</a>

JOINT TIC (XXXXXXXXXX)			
Description	Symbol	Cost Basis Information	
FIDELITY FREEDOM 2040	FFFFX	Average Cost Single Category	<a href="#">Convert</a>

JOINT CP (XXXXXXXXXX)			
Description	Symbol	Cost Basis Information	
FIDELITY VALUE	FDVLX	Average Cost Single Category	<a href="#">Convert</a>

For illustrative purposes only.

# How to sell specific shares

## Choose Specific Shares:

- A trading feature that allows you to override your default disposal method at the time of sale

As of 01/25/2013 6:16pm ET [Refresh](#)

<b>Total Account Value</b>	\$30,723.83
<b>Cash Buying Power</b>	\$2,370.66
<b>Non-Margin Buying Power</b>	\$13,727.81
<b>Committed to Open Orders</b>	\$0.00
<b>Settled Cash</b>	\$2,370.66

Select the mutual fund symbol you want to sell.

**Action** **Sell**

**Fund**  [Symbol Lookup](#)

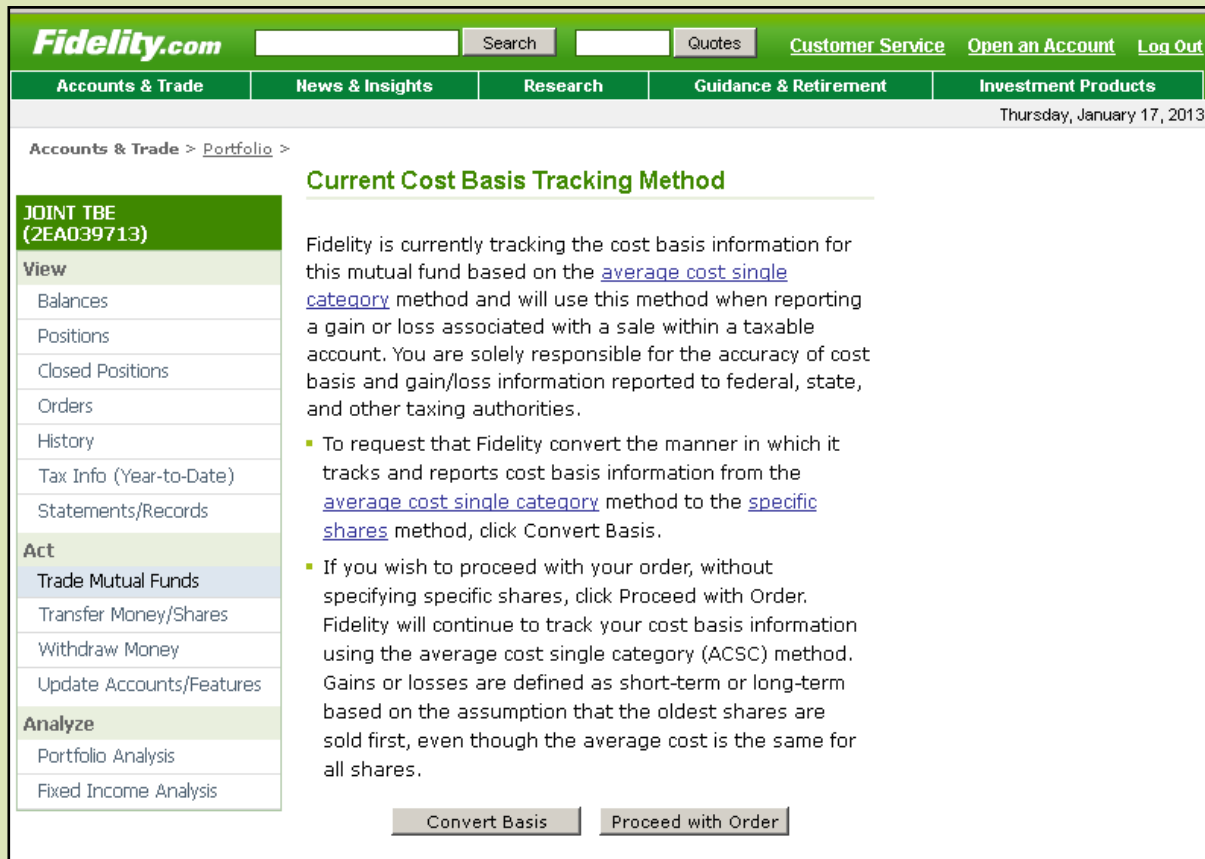
**Quantity** ☒ Shares   
☐ Sell all Shares  
☐ Dollar Amount \$

**Trade Type** ☐ Cash ☒ Margin  
☒ Choose Specific Shares

For illustrative purposes only.

# How to sell specific shares, continued

If you have not converted to Specific Shares cost basis method, you will be prompted to do so.



The screenshot shows the Fidelity.com website interface. At the top, there is a navigation bar with the Fidelity logo, a search bar, and links for Quotes, Customer Service, Open an Account, and Log Out. Below this is a secondary navigation bar with tabs for Accounts & Trade, News & Insights, Research, Guidance & Retirement, and Investment Products. The main content area is titled 'Accounts & Trade > Portfolio >' and displays the 'Current Cost Basis Tracking Method' for a mutual fund account named 'JOINT TBE (2EA039713)'. The account is currently using the 'average cost single category' method. A sidebar on the left lists various account actions under 'View', 'Act', and 'Analyze' categories. The main text explains the current method and provides instructions on how to convert to the 'specific shares' method. Two buttons, 'Convert Basis' and 'Proceed with Order', are located at the bottom of the main content area.

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Accounts & Trade News & Insights Research Guidance & Retirement Investment Products

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Accounts & Trade > Portfolio >

**JOINT TBE (2EA039713)**

**View**

- Balances
- Positions
- Closed Positions
- Orders
- History
- Tax Info (Year-to-Date)
- Statements/Records

**Act**

- Trade Mutual Funds
- Transfer Money/Shares
- Withdraw Money
- Update Accounts/Features

**Analyze**

- Portfolio Analysis
- Fixed Income Analysis

**Current Cost Basis Tracking Method**

Fidelity is currently tracking the cost basis information for this mutual fund based on the [average cost single category](#) method and will use this method when reporting a gain or loss associated with a sale within a taxable account. You are solely responsible for the accuracy of cost basis and gain/loss information reported to federal, state, and other taxing authorities.

- To request that Fidelity convert the manner in which it tracks and reports cost basis information from the [average cost single category](#) method to the [specific shares](#) method, click Convert Basis.
- If you wish to proceed with your order, without specifying specific shares, click Proceed with Order. Fidelity will continue to track your cost basis information using the average cost single category (ACSC) method. Gains or losses are defined as short-term or long-term based on the assumption that the oldest shares are sold first, even though the average cost is the same for all shares.

Convert Basis Proceed with Order

For illustrative purposes only.

# How to sell specific shares, continued

Once you've converted to Specific Shares, you may specify which lots to sell, including both covered and noncovered lots.

**Specify Shares from Open Tax Lots** As of 01/24/2013 at 4:00 PM ET

Account: 7 open tax lots of FIDELITY BALANCED (FBALX)  
Sorted by: No Preference / Pre-filled by: No Preference

	<u>Shares Specified</u>	<u>Shares Available</u>	<u>Date Acquired</u>	<u>Cost Basis/Share</u>	<u>Lot Basis</u>	<u>Unrealized Gain/(Loss)</u>	<u>Holding Period</u>	<u>Cost Basis Source</u>
1 →	30	130.4120	07/08/2011	\$19.17	\$2,500.00	\$202.14	Long	Fidelity
2		0.6580	10/14/2011	\$18.04	\$11.87	\$1.76	Long	Fidelity
3		0.7130	12/16/2011	\$17.83	\$12.71	\$2.06	Long	Fidelity
4 →	.529	0.5290	04/04/2012	\$19.68	\$10.41	\$0.55	Short	Fidelity
5		0.5890	07/06/2012	\$19.32	\$11.38	\$0.82	Short	Fidelity
6		0.5750	10/12/2012	\$20.10	\$11.56	\$0.35	Short	Fidelity
7 →	.633	0.6330	12/14/2012	\$20.03	\$12.68	\$0.44	Short	Fidelity

31.162 Shares Specified  
+ 68.838 Unspecified Unrestricted Shares to be sold as first in/first out (FIFO)  
**100.0000** Total Shares Estimated to fill this Order

< Previous      Preview Order >

For illustrative purposes only.

# Accessing your Fidelity tax forms

1. Select **Accounts & Trade**, then **Portfolio**
2. Choose **Statements** from the Select Action menu
3. Select the **Tax Forms** tab

**Fidelity.com** Search Quotes Customer Service Open an Account Log Out

Accounts & Trade News & Insights Research Guidance & Retirement Investment Products

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Accounts & Trade > [Help/Glossary](#)

**Portfolio**

[Summary](#) [Portfolio Positions](#) [Portfolio Research](#) [Performance](#) [Analysis](#) [Statements](#)

[Statements](#) | [Trade Confirmations](#) | [Tax Forms](#) | [Prospectus](#) | [Account Records](#) | [Proxy Materials](#)

**NEW—Tax Reporting Changes That May Impact You** - Federal law now requires brokers to report adjusted cost basis for certain securities to the IRS. [Learn more about Cost Basis Legislation](#)

**Account Settings**

E-mail: [JOHNQSAMPLE@EMAIL.COM](#) [Edit](#)

Delivery Preferences: [eDelivery](#) | [Edit](#)

**Personal Account Tax Forms and Related Disclosures**

2012 [Go](#) You can access up to 7 years of tax forms starting with your 2009 tax forms.

Description	View Form	Viewed	Tax Info
2012 Brokerage 1099 (XXX-XXXXXX)	<a href="#">PDF</a>	Yes	<a href="#">Info</a>
2012 Brokerage 1099-R (XXX-XXXXXX)	<a href="#">PDF</a>	No	<a href="#">Info</a>
2012 Brokerage 1099-R (XXX-XXXXXX)	<a href="#">PDF</a>	No	<a href="#">Info</a>
2012 Brokerage 5498 (XXX-XXXXXX)	<a href="#">PDF</a>	Yes	<a href="#">Info</a>
2012 Brokerage 5498 (XXX-XXXXXX)	<a href="#">PDF</a>	Yes	<a href="#">Info</a>

Click Info to see important information about your tax form.  
PDFs require [Adobe® Reader®](#)

**Employer Sponsored Account Statements**

Tax Forms for your Employer Sponsored Account (e.g., 401(k), 403(b)) are located in the Tax Forms section for your plan.

[View Tax Forms](#)

**RELATED LINKS**

- Year-to-Date Tax Info:  
Go to [Portfolio Summary](#) and choose Tax Info (Year-to-Date) from the Select Action dropdown menu for your account.
- [Visit the Tax Center](#)

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# 2012 Tax Reporting Statements


Enhancements to statement format for Form 1099-B

# Fidelity's 2012 Tax Reporting Statement

Changes to expect			
	Yes	No	Key change
Form 1099-DIV	✓		Inclusion of tax-exempt interest dividend and specified private activity bond interest dividend amounts
Form 1099-INT	✓		Shifting of tax-exempt interest dividend and specified private activity bond interest dividend amounts to Form 1099-DIV
Form 1099-MISC		✓	
Form 1099-B	✓		Enhanced layout to facilitate easier completion Schedule D and Form 8949; Includes separate pages for short- and long-term covered and noncovered securities, plus a page displaying transactions with unknown basis
Form 1099-OID		✓	
Supplemental pages	✓		Minor layout changes to improve readability

**Fidelity will deliver the 2012 Tax Reporting Statement to your clients no later than February 15, 2013.**

# Sample page: 2012 Tax Reporting Statement

 <p><b>FIDELITY BROKERAGE SERVICES LLC</b> PO Box 673000 Dallas, TX 75267-3000</p>		<p><b>2012 TAX REPORTING STATEMENT</b></p> <p>John Q Public</p>		<p>Account No: 123-456789 Customer Service: 888-888-8888 Recipient's ID No: ***-**-6789 Payer's Fed ID Number: 04-3523567</p>
<p>Envelop Number or eDelivered JOHN Q PUBLIC JULLIANNE Q THIRUVENGADAM-PUBLIC 123 MAIN ST APT 3F NEW YORK, NY 102</p>		<p>Payer's Name and Address: NATIONAL FINANCIAL SERVICES LLC 499 Washington Blvd Jersey City, NJ 07310</p>		
<p><b>Form 1099-DIV* 2012</b></p>		<p><b>Form 1099-DIV* 2012 Dividends and Distributions</b> <span style="float: right;">Copy B for Recipient (OMB No. 1545-0110)</span></p>		
<p>1a Total Ordinary Dividends .....105.00 1b Qualified Dividends .....5.00 2a Total Capital Gain Distributions (Includes 2b – 2d) .....450.00 2b Unrecap. Sec. 1250 Gain .....0.00 2c Section 1202 Gain .....0.00 2d Collectibles (28%) Gain .....150.00 3 Nondividend Distributions .....60.00 4 Federal Income Tax Withheld .....30.00 5 Investment Expenses .....15.00 6 Foreign Tax Paid .....5.00 7 Foreign Country or U.S. Possession .....various 8 Cash Liquidation Distributions .....15.00 9 Non-Cash Liquidation Distributions .....0.00 10 Exempt Interest Dividends .....55.00 11 Specified Private Activity Bond Interest Dividends .....7.50 12 State CA .....13 State Identification No. 80491681 14 State Tax Withheld .....5.00</p>		<p>1a Total Ordinary Dividends .....105.00 1b Qualified Dividends .....5.00 2a Total Capital Gain Distributions (Includes 2b – 2d) .....450.00 2b Unrecap. Sec. 1250 Gain .....0.00 2c Section 1202 Gain .....0.00 2d Collectibles (28%) Gain .....150.00 3 Nondividend Distributions .....60.00 4 Federal Income Tax Withheld .....30.00 5 Investment Expenses .....15.00 6 Foreign Tax Paid .....5.00 7 Foreign Country or U.S. Possession .....various 8 Cash Liquidation Distributions .....15.00 9 Non-Cash Liquidation Distributions .....0.00 10 Exempt Interest Dividends .....55.00 11 Specified Private Activity Bond Interest Dividends .....7.50 12 State CA .....13 State Identification No. 80491681 14 State Tax Withheld .....5.00</p>		
<p><b>Form 1099-MISC*</b></p> <p>2 Royalties .....55.00 4 Federal Income Tax Withheld .....15.00 8 Substitute Payments in Lieu of Dividends or Interest .....50.00 16 State Tax Withheld .....5.00 17 State/Payer's State No. 80491681 18 State Income .....99.00</p>		<p>Total Original Issue Discount .....40.73 Total Original Issue Discount on U.S. Treas. Obligations .....117.17</p> <p>Original Issue Discount (OID) amounts are reported individually to the IRS. Refer to the Form 1099-OID pages in this statement, if applicable.</p>		
<p><small>*This is important tax information and is being furnished to the Internal Revenue Service. 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.</small></p>				

**Tax-exempt interest dividend and specified private activity bond interest dividend amounts (line 11)**

Sample page: For illustrative purposes only

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# Sample page: Supplemental section

**Fidelity INVESTMENTS**

**2012 SUPPLEMENTAL INFORMATION**

John Q Public Account No: 123-456789 Customer Service: 888-888-8888  
 Recipient's ID No: \*\*\*-\*\*-6789 Payer's Fed ID Number: 04-3523567

Note: This information is not reported to the IRS. It may assist you in tax return preparation.

Dividends and other distributions sometimes must be reclassified by the issuer. As a result, we may be required to send you a corrected Tax Reporting Statement that may affect the information you report on your tax return.

To see an interactive guide to your Fidelity Tax Statement visit [Fidelity.com/taxstatementguides](http://Fidelity.com/taxstatementguides)

**Details of 1099-DIV Transactions**

**Total Ordinary Dividends and Distributions Detail**

Description, Symbol, CUSIP	1a Total Ordinary Dividends (includes 1b)	Dividend Distributions	Short-Term Capital Gain	1b Qualified Dividends	10 Exempt Interest Dividends	11 Specified Private Activity Bond Interest Dividends	6 Foreign Tax Paid
FIDELITY MONEY MARKET, SPRXX, 31617H201							
10/31/11	25.00	25.00					
11/30/11	25.00	25.00					
12/31/11	25.00	25.00					
<b>Subtotals</b>	<b>75.00</b>	<b>75.00</b>					
LOOMIS SAYLES BOND INSTL, SIAC, 543487607							
04/10/11	30.00	20.00	5.00	5.00			
TWEEDY BROWNE GLOBAL, TBGVX, 901165100					55.00	7.50	5.00
03/15/11							
<b>TOTALS</b>	<b>105.00</b>	<b>95.00</b>	<b>5.00</b>	<b>5.00</b>	<b>55.00</b>	<b>7.50</b>	<b>5.00</b>

Short-term capital gain distributions reported on monthly/quarterly account statements are included in 1 Total Ordinary Dividends on Form 1099-DIV.

To see the 2012 State Percentages of Tax-Exempt Income for Fidelity Federal Tax-Exempt Funds or the Percentage of Income from U.S. Government Securities for applicable Fidelity Funds, visit [Fidelity.com/fundtaxinfo](http://Fidelity.com/fundtaxinfo). We are no longer inserting this information with your tax statement.

**Total Capital Gains Distributions Detail**

Description, Symbol, CUSIP	2a Total Capital Gain Distr. (I)	Capital Gain Distributions Subject to 15% Rate Gain (I)	2b Unrecaptured Section 1250 Gain	2c Section 1202 Gain	2d Collectibles (28%) Gain
FIDELITY MONEY MARKET, PMBP, 31617H201					
10/30/11	150.00		100.00		50.00
11/30/11	150.00		100.00		50.00
12/31/11	150.00		100.00		50.00
<b>Subtotals</b>	<b>450.00</b>		<b>300.00</b>		<b>150.00</b>
<b>TOTALS</b>	<b>450.00</b>		<b>300.00</b>		<b>150.00</b>

(I) 2a Total Capital Gain includes 2b, 2c, and 2d. The portion of Capital Gain Distributions subject to 15% Rate Gain is equal to 2a less amounts shown on 2b-2d.

Includes any tax-exempt interest dividends and specified private activity bond interest dividend amounts, instead of supplemental details of 1099-INT

Sample page: For illustrative purposes only.

# Sample page: Form 1099-B (Short-term covered securities)

**Fidelity INVESTMENTS**

**2012 TAX REPORTING STATEMENT**

John Q Public Account No: 123-456789 Customer Service: 888-888-8888  
 Recipient's ID No: \*\*\*-\*\*-6789 Payer's Fed ID Number: 04-3523567

**FORM 1099-B\* 2012 Proceeds from Broker and Barter Exchange Transactions** Copy B for Recipient OMB No. 1545-07

Short-term transactions for which basis is reported to the IRS—report on Form 8949 with Box A checked and/or Schedule D, Part I (i)

8 Description, 1d Stock or Other Symbol, CUSIP	Action	1a Date of Sale or Exchange	1b Date of Acquisition	1e Quantity Sold	2a Sales Price of Stocks, Bonds, etc. (a)	3 Cost or Other Basis (b)	Gain/Loss (-)
COACH INC, COH, 189754104	Sale	03/15/2012	02/12/2012	153.259	30,452.25	28,452.25 (k)	2,000.00
					2b - Loss based on above amount in 2a is not allowed		
	Sale	03/15/2012	03/12/2012	22.223	6,258.29	6250.25 (e)	8.04
<b>Subtotals</b>					<b>36,710.54</b>	<b>34,702.50</b>	
FIDELITY ASSET MANAGER 20%, FASIX, 316069400							
<b>FIDELITY ASSET MANAGER 20%, FASIX, 316069400</b>	<b>Sale</b>	<b>03/13/2012</b>	<b>Various</b>	<b>200.000</b>	<b>2,125.23</b>	<b>2,000.00</b>	<b>125.23</b>
	Sale	04/15/2012	03/12/2012	22.223	6,258.29	6,250.25	8.04
<b>Subtotals</b>					<b>36,710.54</b>	<b>34,702.50</b>	
ZHONGPIN INC COM, HOGS, 98952K107	Sale	05/05/2012	04/13/2012	43.225	147.83	153.44 (f)	-5.61
<b>TOTALS</b>					<b>75,694.14</b>	<b>71,558.44</b>	<b>60.00</b>
					Box A Short-Term Realized Gain		4,141.31
					Box A Short-Term Realized Loss		-5.61
					Box A Wash Sale Loss Disallowed		2.23

\*This is important tax information and is being furnished to the Internal Revenue Service. 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.

Example: bifurcated position; 200 shares purchased after 1/1/2012 and sold on 3/13/2012 as part of a 800 share sales transaction

Sample page: For illustrative purposes only.



**Fidelity**  
INVESTMENTS

**John Q Public**

Account No: 123-456789

**Customer Service: 888-888-8888**

Recipient's ID No: \*\*\*-\*\*-6789

Payer's Fed ID Number: 04-3523567

Copy B for Recipient OMB No. 1545-0715

8 Description, 1d Stock or Other Symbol, CUSIP

**Example: bifurcated position – noncovered portion of sale; these 100 were shares purchased between 3/14/2011 and 12/31/2011 and part of the 800 share sale on 3/13/2012**

\*This is important tax information and is being furnished to the Internal Revenue Service. 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.

**Turn here®**



# Sample page: Form 1099-B (Long-term covered securities)

Fidelity INVESTMENTS		2012 TAX REPORTING STATEMENT								
John Q Public		Account No: 123-456789		Customer Service: 888-888-8888						
		Recipient's ID No: ***-**-6789		Payer's Fed ID Number: 04-3523567						
<b>FORM 1099-B* 2012 Proceeds from Broker and Barter Exchange Transactions</b>				Copy B for Recipient OMB No. 1545-0715						
<b>Long-term transactions for which basis is reported to the IRS</b> --report on Form 8949 with Box A checked and/or Schedule D, Part II (i) (This Label is a Substitute for Boxes 1c & 6)										
(IRS Form 1099-B box numbers are shown below in bold type)										
8 Description, 1d Stock or Other Symbol, CUSIP	1a Date of Sale or Exchange	1b Date of Acquisition	1e Quantity Sold	2a Sales Price of Stocks, Bonds, etc. (a)	3 Cost or Other Basis (b)	Gain/Loss (-)	5 Wash Sale Loss Disallowed	4 Federal Income Tax Withheld	13 State	15 State Tax Withheld
COACH INC, COH, 189754104										
Sale	03/15/2012	03/15/2011	153.259	30,452.25	28452.25 (g)(h)	2,000.00				
Sale	03/15/2012	03/15/2011	22.223	6,258.29	6250.25 (h)	8.04				
<b>Subtotals</b>				<b>36,710.54</b>	<b>34,702.50</b>					
UNITED STATES TREAS NTS 4.25000% 11/15/2014, 912828DC1										
Sale	03/15/2012	03/15/2011	153.259	30,452.25	28,452.25	2,000.00				
Sale	04/15/2012	03/15/2011	22.223	6,258.29	6,250.25	8.04		60.00	CA	5.00
<b>Subtotals</b>				<b>36,710.54</b>	<b>34,702.50</b>					
ZHONGPIN INC COM, HOGS, 98952K107										
Sale	05/05/2012	03/15/2011	43.225	147.83	153.44	-5.61	2.23			
<b>TOTALS</b>				<b>73,568.91</b>	<b>69,558.44</b>			<b>60.00</b>		
Box A Long-Term Realized Gain						4,016.08				
Box A Long-Term Realized Loss						-5.61				
Box A Wash Sale Loss Disallowed							2.23			
*This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.										

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Sample page: For illustrative purposes only.

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# Sample page: Form 1099-B (Long-term noncovered securities)

**Fidelity INVESTMENTS**

**2012 TAX REPORTING STATEMENT**

John Q Public      Account No: 123-456789      Customer Service: 888-888-8888  
 Recipient's ID No: \*\*\*-\*\*-6789      Payer's Fed ID Number: 04-3523567

**FORM 1099-B\* 2012 Proceeds from Broker and Barter Exchange Transactions**      Copy B for Recipient OMB No. 1545-0715

Long-term transactions for which basis is not reported to the IRS—report on Form 8949 with Box B checked and/or Schedule D, Part II (i)

8 Description, 1d Stock or Other Symbol, CUSIP	1a Date of Sale or Exchange	1b Date of Acquisition	1e Quantity Sold	2a Sales Price of Stocks, Bonds, etc. (a)	3 Cost or Other Basis (b)	Gain/Loss (-)
COACH INC, COH, 189754104						
Sale	03/15/2012	02/12/2010	153.259	30,452.25	2,000.00	
Sale	03/15/2012	03/12/2010	22.223	6,258.29	6,250.25	8.04
<b>Subtotals</b>				<b>36,710.54</b>	<b>34702.50 (c)</b>	
FIDELITY ASSET MANAGER 20%, FASIX, 316069400						
Sale	03/13/2012	Various	300.000	3,180.00	2,460.00	720.00
Sale	04/15/2012	03/12/2010	22.223	6,258.29	6,250.25	8.04
<b>Subtotals</b>				<b>36,710.54</b>	<b>34702.5 (c)</b>	
ZHONGPIN INC COM, HOGS, 98952K107						
Sale	05/05/2012	04/13/2010	43.225	147.83	153.44	-5.61
<b>TOTALS</b>				<b>76,748.91</b>	<b>72,018.44 (c)</b>	<b>60.00</b>
					<b>4,736.08</b>	
					<b>-5.61</b>	
						<b>2.23</b>

Box B Long-Term Realized Gain  
 Box B Long-Term Realized Loss  
 Box B Wash Sale Loss Disallowed

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

Example:  
 noncovered portion  
 of bifurcated  
 position; these 300  
 shares were  
 purchased prior to  
 3/31/2011 and part of  
 the 800 share sale

Sample page: For illustrative purposes only.

# Sample page: Form 1099-B (Transactions with unknown basis and terms)

**Fidelity INVESTMENTS**

**2012 TAX REPORTING STATEMENT**

John Q Public      Account No: 123-456789      Customer Service: 888-888-8888  
 Recipient's ID No: \*\*\*-\*\*-6789      Payer's Fed ID Number: 04-3523567

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**FORM 1099-B\* 2012 Proceeds from Broker and Barter Exchange Transactions**      Copy B for Recipient OMB No. 1545-0715

Transactions for which basis is not reported to the IRS and Term is Unknown--report on Form 8949 with Box B checked and/or Schedule D.

8 Description, 1d Stock or Other Symbol, CUSIP	1a Date of Sale or Exchange	1b Date of Acquisition	1e Quantity Sold	2a Sales Price of Stocks, Bonds, etc. (a)	3 Cost or Other Basis (b)	Gain/Loss (-)	15 State Tax Withheld
<b>COACH INC, COH, 189754104</b>							
Sale	03/15/2012	Unknown	153.259	30,452.25	Unknown		
Sale	03/15/2012	Unknown	22.223	6,258.29	Unknown		
<b>Subtotals</b>				<b>36,710.54</b>	<b>Unknown (c)</b>		
<b>FIDELITY ASSET MANAGER 20%, FASIX, 316069400</b>							
<b>FIDELITY ASSET MANAGER 20%, FASIX, 316069400</b>							
Sale	03/13/2012	Unknown	200.000	2,125.23	Unknown		
Sale	04/15/2012	Unknown	22.223	6,258.29	Unknown	60.00 CA	5.00
<b>Subtotals</b>				<b>36,710.54</b>	<b>Unknown (c)</b>		
<b>ZHONGPIN INC COM, HOGS, 98952K107</b>							
Sale	05/05/2012	Unknown	43.225	147.83	Unknown		
<b>TOTALS</b>				<b>75,694.14</b>	<b>Unknown (c)</b>	<b>60.00</b>	

13 State - CA, 14 State Identification No. 80491681  
 Total CA Tax Withheld 25.00. Total Federal Income Tax Withheld 300.00

1. For any transaction listed on Form 1099-B in a section indicating that "basis is reported to the IRS", we are reporting to the IRS: 1c type of gain or loss (i.e. short-term or long-term), 6 basis reported to IRS, 8 Description, 1d Stock or other symbol, the CUSIP number, and columns 1a, 1b, 1e, 2a and 2b, 3, 4, 5, 13, 14 and 15. We are not reporting to the IRS: the Action, the Gain / Loss, and all subtotals and totals.

2. For any transaction listed on Form 1099-B in a section indicating that "basis is not reported to the IRS", we are reporting to the IRS: 6 Noncovered security 8 Description, 1d Stock or other symbol, the CUSIP number, and columns 1a, 1e, 2a and 2b, 4, 13, 14 and 15. We are not reporting to the IRS: 1c type of gain or loss (i.e. short-term or long-term), the Action, the Gain / Loss, columns 1b, 3, 5, and all subtotals and totals.

3. Although Fidelity makes every effort to provide accurate information, please bear in mind that you, the taxpayer, are ultimately responsible for the accuracy of your tax returns.

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

Sales of positions with unknown term and basis. These 200 shares part of an 800 share sale and cost basis is not reported to the IRS.

Sample page: For illustrative purposes only.

# Fidelity resources


Helping you prepare for the cost basis reporting requirements

# Fidelity's Tax Center

## Use Fidelity's Tax Center to:

- Find answers to your top tax questions
- Review educational tools
- Locate resources for filing your taxes

### Tax Center



It's always tax time.  
Start filing your taxes, find ways to save,  
and plan for your future.

#### Tax forms & resources for filing

Find your personal 1099 and 5498 tax forms, Fidelity fund distributions, mailing dates, and other fund-specific tax information.

- [Tax forms](#)
- [Resources for filing](#)
- [Save up to \\$20 on TurboTax® for preparing federal and state tax returns.](#)
- [You can also download your 1099 and W-2 forms and import them into H&R Block At Home™ Tax Software.](#)

#### Top tax questions and answers

Where is my 1099? What forms does Fidelity mail when—and why? How do I update my cost basis? What is the IRA contribution limit and deadline?

- [How might changes in cost basis reporting affect you? \(PDF\)](#)
- [Answers to other top tax questions](#)

#### Tax education & tools

Learn about ways to reduce and estimate your taxes.

- [Tax education & tools](#)
- [Attend a seminar](#)

#### Fidelity Viewpoints®

Navigate the changing tax landscape and its impact with our [special tax report](#).

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- [To sell or not to sell](#)
- [Ways to reduce taxes on investments](#)

#### Tax-smart investing opportunities

Consider our products and services as part of a tax-savings strategy.

- [Help manage taxes with IRAs, college savings plans, charitable donations, municipal bonds, and more.](#)

For illustrative purposes only.

# When will I receive my tax forms?

Tax Form	Type of Account	Estimated Date (subject to change)
<b>5498 and 1099-R</b>  <b>Tax Reporting Statements</b>  <b>(1099-DIV, 1099-INT, 1099-OID, 1099-B, 1099-Misc)</b>	Mutual fund retirement accounts	January 11-14, 2013
	Brokerage retirement accounts	January 14, 2013
	1. Fidelity Mutual Fund accounts Brokerage accounts holding: <ul style="list-style-type: none"> <li>Fidelity Funds, Equities</li> </ul> If no adjustments to tax lot data are anticipated.	January 18-23, 2013
	2. Brokerage accounts holding: <ul style="list-style-type: none"> <li>Non Fidelity mutual funds, Equities, Fixed income securities, Real estate investment trusts (REITs)</li> </ul> If no adjustments to tax lot data are still anticipated.	February 1-5, 2013
	3. All remaining Brokerage accounts –holdings may include: <ul style="list-style-type: none"> <li>Non Fidelity mutual funds, Foreign and domestic Equities, Fixed income securities, Real estate investment trusts, Unit investment trusts (UITs), Original issue discounts (OIDs), Widely held fixed investment trusts</li> </ul>	February 15, 2013

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to speak to one of our knowledgeable representatives.

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for a consultation with one of our investment professionals.

# Q & A

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