

# Cost Basis Update Form for Noncovered Shares

www.schwab.com | 1-800-435-4000 (inside the U.S.) | +1-415-667-8400 (outside the U.S.) | 1-888-686-6916 (multilingual services)

Use this form to provide Schwab with any missing cost basis information for your securities. This will help to make sure that you are receiving complete details on gains and losses for all of your positions. While providing cost basis information to Schwab is not required, doing so will help us provide important data for your tax planning and reporting purposes.

### What Is Cost Basis?

Cost basis is the original purchase price you paid for a security, plus commissions and any fees. The adjusted cost basis includes any other adjustments to the price. Adjusted cost basis also includes any adjustments due to wash sales, amortization, accretion, and corporate actions.

You may wish to consult a tax advisor for guidance in determining the accurate cost basis of your investments.

### Why Information May Be Missing

Cost basis information for some of your positions may not be available to us if the position was purchased at Schwab more than 10 years ago, if it was transferred to Schwab from another institution or between Schwab accounts, or if it was impacted by a corporate action since its original purchase.

### Where to Find Cost Basis

Cost basis information can be documented or estimated from the following sources:

- Past statements or trade confirmations<sup>1</sup>
- Form 1099 Composite<sup>1</sup>
- Schwab's website, www.schwab.com, which features stock price charts with up to five years of prices
- The Cost Basis Calculator, which can be found on Schwab.com's unrealized and realized gain/loss (UGL and RGL) pages. The tool calculates the complete cost basis for any stock or mutual fund and automatically applies all corporate actions affecting the original trade lots to determine the shares and cost basis on specific holding dates. Unit prices are also available.

We recommend consulting with a tax advisor before using estimated prices to report gains and losses to the Internal Revenue Service.

### How to Update Your Cost Basis

You now have two convenient options to update your missing cost basis information:

- Visit [www.schwab.com/gainloss](http://www.schwab.com/gainloss) to enter your own updates.
- Complete and return your Cost Basis Update Form.

### How to Complete Your Cost Basis Update Form

Use this form to supply missing cost basis data indicated by the phrase "please provide" on your monthly statement or indicated as "missing" on Schwab.com unrealized and realized gain/loss pages. If an investment you own has multiple tax lots (positions acquired over time at different prices and/or on different dates), please identify each tax lot within a position.

<b>1</b> Account Number	At the top of the form, please provide your account number.
<b>2</b> Authorized Signature	At the bottom of the page, please sign and print your name and provide the date.
<b>3</b> Print Name	
<b>4</b> Date	
<b>A</b> Description	Enter the description from your statement.
<b>B</b> Symbol or CUSIP Number	Enter the symbol or CUSIP number from your statement.
<b>C</b> Trade Date	Enter the trade date for each tax lot.
<b>D</b> Settlement Date	For fixed income investments only, enter the settlement date for each tax lot.
<b>E</b> Quantity/Par	Enter the current quantity. The share quantity should match the current share quantity in the account.
<b>F</b> Cost per Unit	Enter the current cost per unit. Please provide current adjusted cost basis in the "Cost Basis" column for open positions only. If applicable, adjust the cost basis to include commissions and fees with adjustments for corporate actions, wash sales, and return of capital or principal payments received.
<b>G</b> Cost Basis	Enter the cost basis. Please provide current adjusted cost basis in the "Cost Basis" column for open positions only. If applicable, adjust the cost basis to include commissions and fees with adjustments for corporate actions, wash sales, and return of capital or principal payments received.

<sup>1</sup> You can request copies of Schwab documents. For confirmations, please provide a security description and the exact date the trade was executed.



**Sample Questions**

Q1. I bought 100 shares of Sample Corporation stock in a single purchase on 1/2/95 with a different broker. The total cost, including commission, was \$1,079.95. How should I enter the cost basis?

A1. On the Cost Basis Update Form, enter 100 as the quantity/par, 1/2/95 as the trade date, and \$1,079.95 as the cost basis. See Sample 1 below.

Q2. I bought 20,000 shares of Sample City 3% 06 bond on 1/12/05. The principal was \$20,180, plus a \$15 fee and \$40 interest for a total amount of \$20,235. How should I enter the cost basis?

A2. On the Cost Basis Update Form, enter 20,000 as the quantity/par, 1/12/05 as the trade date, 1/25/05 as the settlement date, \$20,195 as the cost basis (\$20,180 principal plus \$15 prime broker fee), and \$100.975 as the cost per unit  $(\$20,195/20,000) \times 100$ . See Sample 2 below.

Q3. I received 50 shares of Sample Company in a spin-off transaction. The company declared a 2-for-1 stock split on two separate occasions—2/14/00 and 2/22/01. How do I adjust the cost basis?

A3. Using the Cost Basis Calculator on [www.schwab.com](http://www.schwab.com), you have determined that you received 50 shares of Sample Company in a spin-off from XYZ Company. It was a taxable spin-off on 1/15/07, and the cost basis per share is \$15.00. On the Cost Basis Update Form, enter 50 as the quantity/par, 1/15/07 as the trade date, and \$15.00 as the cost per unit. See Sample 3 below.

**Sample Cost Basis Update Form**

	A	B	C	D	E	F	G
	Description	Symbol or CUSIP Number	Trade Date	Settlement Date Fixed income investments only.	Quantity/Par Use ( ) for short positions.	Cost per Unit Including comm./fees. Excluding interest for fixed income investments.	Cost Basis Including comm./fees. Excluding interest for fixed income investments.
1	Sample Corporation	SXMP	1/2/95	N/A	100	\$10.7995	\$1,079.95
2	Sample City 3% 06 2/1/06	481637AA4	1/12/05	1/25/05	20,000	\$100.975	\$20,195.00
3	XYZ Company	XYZ	1/15/07	N/A	50	\$15.00	\$750.00

Securities mentioned are for illustrative purposes only and are not a recommendation to buy or sell any specific securities.

**Questions?**

Please call 1-800-435-4000 for help with this form or to request a Schwab document, historical quote, or share-price research.

**Mailing and Fax Instructions**

Please mail your completed Cost Basis Update Form to:

Charles Schwab & Co., Inc.  
Cost Basis Operations  
ATTN: IS Document Control  
P.O. Box 982600  
El Paso, TX 79998-2600

Please fax your completed Cost Basis Update Form to:

Cost Basis Edits  
1-877-471-6936

It is your responsibility to choose the cost basis method appropriate to your tax situation. Failure to select the proper cost basis method may cause you to pay more tax than necessary. Schwab does not provide tax advice and encourages you to consult with your tax professional.

Schwab calculates cost basis using data that we have obtained from third-party sources, such as your prior custodian or another third-party source. Therefore, the accuracy of the cost basis reporting Schwab performs is dependent on the data we receive from these third parties. If we are not provided with adequate information to report cost basis data for covered securities that were not both purchased and sold at Schwab, those securities will be considered uncovered, and the cost basis will not be reported to the IRS, even if the securities sold were acquired after the effective date for cost basis reporting.





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Visit www.schwab.com/gainloss to make your own updates.

Use this form to add or change cost basis for noncovered securities. "Noncovered" refers to securities that are not subject to cost basis reporting on Form 1099-B, such as fixed income securities or options purchased prior to 1/1/14, stocks purchased prior to 1/1/11, mutual funds, and ETF or DRIP shares purchased prior to 1/1/12.

## 1. Schwab Account Information (Use one form per account.)

Schwab Account Number

## 2. Cost Basis Information

- Please provide current adjusted cost basis in the Cost Basis column for open positions only. If applicable, adjust the cost basis to include commissions and fees, corporate actions and wash sales, and the return of capital or principal payments received.
- Share quantity should match the current share quantity in the account.
- Please provide the original cost and settlement date for fixed income securities.

	Description	Symbol or CUSIP Number	Trade Date	Settlement Date Fixed income investments only.	Quantity/Par Use ( ) for short positions.	Cost per Unit Including comm./ fees. Excluding interest for fixed income investments.	Cost Basis Including comm./ fees. Excluding interest for fixed income investments.
1			/ /	/ /		\$	\$
2			/ /	/ /		\$	\$
3			/ /	/ /		\$	\$
4			/ /	/ /		\$	\$
5			/ /	/ /		\$	\$
6			/ /	/ /		\$	\$
7			/ /	/ /		\$	\$
8			/ /	/ /		\$	\$
9			/ /	/ /		\$	\$
10			/ /	/ /		\$	\$

## 3. Authorization for Update—Please Read and Sign

I authorize Schwab to complete the update(s) as indicated above.

I understand that if the positions were transferred from another firm and Schwab receives a cost basis transfer statement with cost basis for the positions I provided, the cost will be overwritten.

### Signature and Date Required

**X**  
 Authorized Signature \_\_\_\_\_ Print Name \_\_\_\_\_ Date (mm/dd/yyyy) \_\_\_\_\_

#### FOR CHARLES SCHWAB USE ONLY

Authorized Signature \_\_\_\_\_ Print Name \_\_\_\_\_ Date (mm/dd/yyyy) \_\_\_\_\_

