



A#:	8402
P&S#	7977
Date:	June 1, 2017
To:	ALL MEMBERS AND LIMITED MEMBERS
From:	WEALTH MANAGEMENT SERVICES – MUTUAL FUNDS
Attention:	MANAGER MUTUAL FUNDS OPERATIONS, MANAGER DATA PROCESSING, MANAGER CASHIERS, MANAGER P&S DEPARTMENT
Subject:	Fund/SERV®, DTCC Payment aXis®, Networking and MFPS II Mutual Enhancements

Effective, **Monday, November 20, 2017**, National Securities Clearing Corporation (NSCC) will implement enhancements to the following services:

- **Fund/SERV®**
- **DTCC Payment aXis®**
- **Networking**
- **Mutual Fund Profile Service II – Distribution Declaration (Capital Gains)**

Below is a summary of the enhancements included in this release. Details illustrating the specific enhancements are included in the attached Appendix and segregated by service (Fund/SERV, DTCC Payment aXis, Networking and MFPS II). *The Appendix is for informational purposes and may not represent the final record layouts. NSCC reserves the right to make additional changes prior to implementation.*

As part of this release, NSCC will:

1) Enhance **Fund/SERV** to further support 529 omnibus processing as follows:

- **Add two new values to the ‘Transaction Type’ field** to provide the ability to identify a transaction as an In-State Plan Transfer or registration change.
 - E = 529 In-State Plan Transfer Distribution
 - F = 529 Registration Change

- **Add three new values to the ‘Asset Type Indicator’ field** to facilitate the portability of cost basis and earnings by requiring the information be provided for the following new Asset Types:
 - U = 529 In-State Plan Transfer Contribution
 - V = 529 Owner Change
 - W = 529 Beneficiary Change – In-Family

- **Add four new values to the ‘Liquidation Indicator’ field** to specify CDSC waiver reasons for liquidation in a 529 account. The new values will facilitate automated processing and reduce rejected transactions due to invalid CDSC reason codes.
 - C = 529 Plan-Specific
 - D = 529 Plan Account – Beneficiary Disability
 - E = 529 Plan Account – Beneficiary Death
 - F = 529 Plan Account – Beneficiary Scholarship

Note: New value ‘C = 529 Plan-Specific’ should only be utilized in instances where an existing Liquidation Indicator value does not accurately reflect the reason for the CDSC waiver.

- **Add three new values to the ‘IRA/529 Liquidation Indicator’ field** to indicate a 529 liquidation as a non-taxable event, and to indicate the type of registration change.
 - C = Distribution – Non-Taxable
 - D = 529 Owner Change
 - E = 529 Beneficiary Change – In-Family

Note: The above enhancements introduce various conditional requirement changes pertaining to 529 plan accounts. Please reference appendix for details.

2) **Networking Payment aXis Commission & Fee Settlement, Account Conversion/Update & Transfer/ Acknowledgement, and Account Maintenance Reconciliation Detail Records**

- **Rename existing ‘SSN/TIN’ fields to ‘SSN/EIN’** to align and promote consistency of field names across the NSCC Mutual Fund records.

3) **Payment aXis Commission & Fee Settlement and Networking Share Aging Records**

- **Add a new SSN/EIN Indicator value ‘2 – Investor TIN/EIN’ to the ‘SSN/EIN’ field** to align the field value options with the Fund/SERV and Networking Account Conversion / Update & Transfer/ Acknowledgement records. This enhancement will allow clients to pass the value ‘2 – Investor TIN/EIN’ on these records providing processing consistency.

4) **Networking Account Conversion/Update & Transfer/Acknowledgement Record**

- **Modify ‘Credit Account Indicator’ field logic on the Networking Fund Acknowledgment (53) record** to allow a value of ‘3 (Not Available)’ when rejecting a B50 record. A firm has the ability to send funds a B50 and B52 Transfer record with value ‘3 (Not Available)’ in the Credit Account Indicator field. This value is not available for funds on the F53 Acknowledgment/Reject record. This modification will provide funds the ability to pass value 3 (Not Available) when an account was not established and the record is rejected.

5) **Networking Dividend, Activity, Reject Code List and MFPS II Distribution Declaration Capital Gain Records**

- **Remove 5-Year Capital Gain fields and associated values** as this capital gain type is no longer an applicable tax code (applied to assets held 5 years or longer during 1997-2003).

TESTING

Effective, **Monday, October 23, 2017**, members can begin testing in the Participant Services Environment (PSE) region.

Members are encouraged to test and must contact their Relationship Manager before testing begins for proper setup in the PSE region. Relationship Managers should be contacted at least three (3) days prior to testing.

DOCUMENTATION

Revised Record layouts and Reject Code List will be available on or about **June 9, 2017** and can be found at: <http://www.dtcc.com/investment-product-services/wealth-management-services/mutual-funds-client-documentation/product-client-center/gated-documents.aspx?gated=wms-section>

Applicable User Guide and Best Practices updates will be available on or about **November 20, 2017**. An email notification will be sent when revised documentation has been posted.

Questions and comments regarding this Important Notice may be directed to Wealth Management Services at **212-855-8877**.

Therese Leahy
Product Manager

Product Management
DTCC Wealth Management Services

Appendix

Fund/SERV

529 Plan Enhancements

(Mainframe & WebDirect screens)

Both fixed and variable record layouts will be modified. However, for the purpose of illustration, the **variable** record layouts are used below.

The 529 enhancements will affect the following Fund/SERV records:

- **001 - Order Record**
- **004/005/006/007/009/140 - As-Of Order/Confirmation/Reconfirmation/Fund Originated Order/Fund Originated As-Of Order/Post Settlement Cancellation by Fund Records**
- **003/025/026 - Correction/Correction Confirmation/Post Settlement Correction by Fund Records**

Modifications to the Transaction Type field

1. Add the following two new values to the Transaction Type field:

- E = 529 In-State Plan Transfer Distribution
- F = 529 Registration Change

2. Modify conditional requirement to include the new Transactions Types E and F as follows:

- If Transaction Code = 03 (Partial Liquidation) or 04 (Full Liquidation) then only Transaction Types 8, 9, A, B, E or F will be allowed.

Field Name	Start	End	Type	Current Description	New Description
Transaction Type	61	61	A/N	0 = Single purchase 1 = Letter of intent 2 = Rights of accumulation 3 = Net asset value 4 = Group purchase 5 = CDSC liquidation 8 = 529 Participant Distribution 9 = 529 Beneficiary Distribution A = 529 School Distribution B = 529 Rollover Distribution 8 thru B only allowed if Transaction Code = "03" or "04"	0 = Single purchase 1 = Letter of intent 2 = Rights of accumulation 3 = Net asset value 4 = Group purchase 5 = CDSC liquidation 8 = 529 Participant Distribution 9 = 529 Beneficiary Distribution A = 529 School Distribution B = 529 Rollover Distribution E = 529 In-State Plan Transfer Distribution F = 529 Registration Change Only 8, 9, A, B, E or F are allowed if Transaction Code = "03" or "04" 03 (Partial Liquidation) 04 (Full Liquidation)

Modification to the Asset Type Indicator field

3. Add the following three new values to the Asset Type Indicator field:

- U = 529 In-State Plan Transfer Contribution
- V = 529 Owner Change
- W = 529 Beneficiary Change – In-Family

Field Name	Start	End	Type	Current Description	New Description
Asset Type Indicator	160	160	A/N	0 = Not applicable 1 = Current year payment 2 = Prior year payment 3 = IRA rollover 4 = Asset transfer 5 = Employee – prior year 6 = Employee – current year 7 = Employer – prior year 8 = Employer – current year 9 = Non-fund prototype IRA A = Non-fund qualified plan C = Salary Reduction Contribution D = 529 Current Year Contribution E = UGMA account transferred to Section 529 Account F = 529 Underlying Fund Trades G = Share Class Conversion H = Health Savings Account I = Insurance Fund Transactions J = Non-Qualified Retirement Plan K = Qualified Retirement Plan L = Omnibus Dividend Reconciliation M = Variable Annuity N = Wrap Program O = Defined Benefit Plan P = 529 Previous Year Contribution Q = 529 Rollover Contribution S = Omnibus Short-Term Capital Gain Reconciliation T = Omnibus Long-Term Capital Gain Reconciliation Note: D, P and Q indicate Section 529 Plan.	0 = Not applicable 1 = Current year payment 2 = Prior year payment 3 = IRA rollover 4 = Asset transfer 5 = Employee – prior year 6 = Employee – current year 7 = Employer – prior year 8 = Employer – current year 9 = Non-fund prototype IRA A = Non-fund qualified plan C = Salary Reduction Contribution D = 529 Current Year Contribution E = UGMA account transferred to Section 529 Account F = 529 Underlying Fund Trades G = Share Class Conversion H = Health Savings Account I = Insurance Fund Transactions J = Non-Qualified Retirement Plan K = Qualified Retirement Plan L = Omnibus Dividend Reconciliation M = Variable Annuity N = Wrap Program O = Defined Benefit Plan P = 529 Previous Year Contribution Q = 529 Rollover Contribution S = Omnibus Short-Term Capital Gain Reconciliation T = Omnibus Long-Term Capital Gain Reconciliation U = 529 In-State Plan Transfer Contribution V = 529 Owner Change W = 529 Beneficiary Change – In-Family Note: D, P, Q, U, V and W indicate Section 529 Plan.

Modifications to the Liquidation Indicator field

4. Add the following four new values to the Liquidation Indicator field:

- C = 529 Plan-Specific
- D = 529 Plan Account – Beneficiary Disability
- E = 529 Plan Account – Beneficiary Death
- F = 529 Plan Account – Beneficiary Scholarship

Field Name	Start	End	Type	Current Description	New Description	Opt/Req
Liquidation Indicator	267	267	A/N	<p>Required if Trans Type = 5.</p> <p>1 = Gross 2 = Net 4 = Correction 5 = Death 6 = Disability 7 = Mandatory distribution 8 = Systematic withdrawal 9 = Defined contribution A = Hardship B = No commission paid</p> <p>Note: 4 through B should apply only to transactions with CDSC Waivers</p>	<p>Required if Trans Type = 5 (CDSC liquidation).</p> <p>1 = Gross 2 = Net 4 = Correction 5 = Death 6 = Disability 7 = Mandatory distribution 8 = Systematic withdrawal 9 = Defined contribution A = Hardship B = No commission paid</p> <p>C = 529 Plan-Specific D = 529 Plan Account – Beneficiary Disability E = 529 Plan Account – Beneficiary Death F = 529 Plan Account – Beneficiary Scholarship</p> <p>Notes:</p> <ul style="list-style-type: none"> • 4 through F should apply only to transactions with CDSC Waivers. • C through F should only apply to Section 529 plans. 	OC

Modifications to the IRA/529 Liquidation Indicator field

5. Add the following three new IRA/529 Liquidation Indicators:

- C = Distribution – Non-Taxable
- D = 529 Owner Change
- E = 529 Beneficiary Change – In-Family

6. Add conditional requirement to new value of C (Distribution – Non-Taxable) as follows:

- IRA/529 Liquidation Indicator C (Distribution-Non Taxable) is required if Transaction Type = E (529 In-State Plan Transfer Distribution)

7. Add conditional requirement to new values of D (529 Owner Change) AND E (529 Beneficiary Change – in Family) as follows:

- If Transaction Type = F (529 Registration Change) then IRA/529 Liquidation Indicator MUST be one of the following:
 - D (529 Owner Change) or
 - E (529 Beneficiary Change – In-Family)

Field Name	Start	End	Type	Current Description	New Description	Opt/Req
IRA/529 Liquidation Indicator	354	354	A/N	0 = Not applicable 1 = Distribution - premature 2 = Distribution - disability 3 = Distribution - death 4 = Distribution - normal 5 = Hardship withdrawal 6 = Loan 7 = Rollover 8 = Adjust prior year excess 9 = Adjust current year excess A = Qualified B = Non-Qualified A and B are required if Transaction Type = 8, 9, A or B	0 = Not applicable 1 = Distribution - premature 2 = Distribution - disability 3 = Distribution - death 4 = Distribution - normal 5 = Hardship withdrawal 6 = Loan 7 = Rollover 8 = Adjust prior year excess 9 = Adjust current year excess A = Qualified B = Non-Qualified C = Distribution – Non-Taxable D = 529 Owner Change E = 529 Beneficiary Change – In-Family Notes: A and B are required if Transaction Type = 8 (529 Participant Distribution) 9 (529 Beneficiary Distribution) A (529 School Distribution) B (529 Rollover Distribution) C is required if Transaction Type = E (529 In-State Plan Transfer Distribution) D or E is required if Transaction Type = F (529 Registration Change)	OC

Modifications to Beneficiary SSN/EIN Number field

8. Modify the conditional field requirements to also require the new Asset Type Indicators

- U (529 In-State Plan Transfer Contribution)
- V (529 Owner Change)
- W (529 Beneficiary Change – In-Family)

Field Name	Start	End	Type	Current Description	New Description
Beneficiary SSN/EIN Number	367	375	N	Required if Asset Type Indicator = D, E, P or Q and Transaction Code = 01 or 02	<p>Required if Asset Type Indicator = D, E, P, Q, U, V or W and Transaction Code = 01 or 02</p> <p>Asset Type Indicators D (529 Current Year Contribution) E (UGMA account transferred to Section 529 Account) P (529 Previous Year Contribution) Q (529 Rollover Contribution) U (529 In-State Plan Transfer Contribution) V (529 Owner Change) W (529 Beneficiary Change – In-Family)</p> <p>Transaction Codes 01 (Initial purchase) 02 (Subsequent purchase)</p>

Modify the conditional field requirements on the following two fields:

9. Cost Basis Money Amount field

10. Earnings to Date Money Amount field

Modify the conditional field requirements to also require the new Asset Type Indicators:

- U (529 In-State Plan Transfer Contribution)
- V (529 Owner Change)
- W (529 Beneficiary Change – In-Family)

▪ 001 - Order Record

Field Name	Start	End	Type	Current Description	New Description	Opt/Req
Cost Basis Money Amount	514	529	N	<p>Required if the Asset Type Indicator = Q.</p> <p>Format: 99,999,999,999,999.99</p>	<p>Required if the Asset Type Indicator = Q, U, V or W. Q (529 Rollover Contribution) U (529 In-State Plan Transfer Contribution) V (529 Owner Change) W (529 Beneficiary Change – In-Family)</p> <p>Format: 99,999,999,999,999.99</p>	OC

Earnings to Date Money Amount	530	545	N	Required if the Asset Type Indicator = Q. Format: 99,999,999,999,999.99	Required if the Asset Type Indicator = Q, U, V or W. Q (529 Rollover Contribution) U (529 In-State Plan Transfer Contribution) V (529 Owner Change) W (529 Beneficiary Change – In-Family) Format: 99,999,999,999,999.99	OC
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- **004 – As-Of Order, 005 – Confirmation, 006 – Reconfirmation, 007 – Fund Originated Order, 009 – As-Of Fund Originated Order, and 140 – Post Settlement Cancellation by Fund**
- **003 – Correction, 025 - Correction Confirmation, 026 - Post Settlement Correction by Fund Records**

Field Name	Start	End	Type	Current Description	New Description	Opt/Req
Cost Basis Money Amount	607	622	N	Required if the Asset Type Indicator = Q. Format: 99,999,999,999,999.99	Required if the Asset Type Indicator = Q, U, V or W. Q (529 Rollover Contribution) U (529 In-State Plan Transfer Contribution) V (529 Owner Change) W (529 Beneficiary Change – In-Family) Format: 99,999,999,999,999.99	OC
Earnings to Date Money Amount	623	638	N	Required if the Asset Type Indicator = Q. Format: 99,999,999,999,999.99	Required if the Asset Type Indicator = Q, U, V or W. Q (529 Rollover Contribution) U (529 In-State Plan Transfer Contribution) V (529 Owner Change) W (529 Beneficiary Change – In-Family) Format: 99,999,999,999,999.99	OC

Modify the conditional field requirements on the Record Length field on 001 Order Record

11. Change the 0569 conditional field requirements to also require the new Asset Type Indicators

- U (529 In-State Plan Transfer Contribution)
- V (529 Owner Change)
- W (529 Beneficiary Change – In-Family)

NOTE: This modification only applies to the Variable record (Fixed record remains unchanged)

Field Name	Start	End	Type	Current Description	New Description
Record Length (effective 9/26/2016)	1	4	N	<p><u>With no SSN/EIN Suffix:</u> 0290, 0383, 0476, 0569.</p> <p>0569 is required when "Redemption Fee Indicator" is provided, "Asset Type Indicator" = Q, or "Market Liquidity Fee / Redemption Gate Indicator" is provided.</p> <p><u>With SSN/EIN Suffix:</u> Up to 1592</p>	<p><u>With no SSN/EIN Suffix:</u> 0290, 0383, 0476, 0569.</p> <p>0569 is required when "Redemption Fee Indicator" is provided, "Asset Type Indicator" = Q, U, V or W or "Market Liquidity Fee / Redemption Gate Indicator" is provided. Q (529 Rollover Contribution) U (529 In-State Plan Transfer Contribution) V (529 Owner Change) W (529 Beneficiary Change – In- Family)</p> <p><u>With SSN/EIN Suffix:</u> Up to 1592</p>

Modify the conditional field requirements on the Record Length field on the following records:

005 – Confirmation, 006 – Reconfirmation, 007 – Fund Originated Order, 009 – As-Of Fund Originated Order, and 140 – Post Settlement Cancellation by Fund Records

12. Change the 0662 conditional field requirements to also require the new Asset Type Indicators

- U (529 In-State Plan Transfer Contribution)
- V (529 Owner Change)
- W (529 Beneficiary Change – In-Family)

Field Name	Start	End	Type	Current Description	New Description
Record Length (effective 9/26/2016)	1	4	N	<p>For record type 004 With no <u>SSN/EIN Suffix:</u> 0290, 0383, 0476, 0569, 0662</p> <p>For record type 004 With <u>SSN/EIN Suffix:</u> Up to 1685</p>	<p>For record type 004 With no <u>SSN/EIN Suffix:</u> 0290, 0383, 0476, 0569, 0662</p> <p>For record type 004 With <u>SSN/EIN Suffix:</u> Up to 1685</p> <p>For all other record types: 0569, 0662</p>

				<p><u>For all other record types:</u> 0569, 0662</p> <p>0662 is required under the following conditions:</p> <ul style="list-style-type: none"> Redemption Fee Indicator is provided. Asset Type is Q (Optional for all other Asset Types.) <p>Money Market Liquidity Fee / Redemption Gate Indicator is provided.</p>	<p>0662 is required under the following conditions:</p> <ul style="list-style-type: none"> Redemption Fee Indicator is provided. Asset Type Indicator is Q, U, V or W (Optional for all other Asset Types.) Q (529 Rollover Contribution) U (529 In-State Plan Transfer Contribution) V (529 Owner Change) W (529 Beneficiary Change – In-Family) Money Market Liquidity Fee / Redemption Gate Indicator is provided.
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Modify the conditional field requirements on the Record Length field on the following records:

003 – Correction, 025 - Correction Confirmation, 026 - Post Settlement Correction by Fund Records

13. Change the 0662 conditional field requirements to also require the new Asset Type Indicators

- U (529 In-State Plan Transfer Contribution)
- V (529 Owner Change)
- W (529 Beneficiary Change – In-Family)

Field Name	Start	End	Type	Current Description	New Description
Record Length (effective 9/26/2016)	1	4	N	<p><u>With no SSN/EIN Suffix:</u> 0290, 0383, 0476, 0569, 0662, 0755, 0848, 0941, 1034, 1127, 1220</p> <p>(Must be 0569 or greater for all record types except 003)</p> <p>0662 is required when "Redemption Fee Indicator" is provided or "Asset Type Indicator" = Q, or "Money Market Liquidity Fee / Redemption Gate Indicator" is provided.</p>	<p><u>With no SSN/EIN Suffix:</u> 0290, 0383, 0476, 0569, 0662, 0755, 0848, 0941, 1034, 1127, 1220</p> <p>(Must be 0569 or greater for all record types except 003)</p> <p>0662 is required when "Redemption Fee Indicator" is provided or "Asset Type Indicator" = Q, U, V or W or "Money Market Liquidity Fee / Redemption Gate Indicator" is provided.</p> <p>Asset Type Indicators: Q (529 Rollover Contribution) U (529 In-State Plan Transfer Contribution) V (529 Owner Change) W (529 Beneficiary Change – In-Family)</p>

**DTCC Payment aXis and Networking
SSN/EIN Modification Enhancements**

SSN/EIN Modifications affect the following records:

- B/F31 DTCC Payment aXis Commission & Fee Settlement **Detail**
- B/F31 DTCC Payment aXis Commission & Fee Settlement **Reject**
- A/B/T50, A/B/T/F51 Networking Account Conversion Update (mainframe & WebDirect)
- B/F75 Networking Share Aging

B/F31 DTCC Payment aXis Commission & Fee Settlement Detail and Reject records

14. Rename SSN/TIN Number Indicator field to ‘SSN/EIN Number Indicator’ on B/F31 DTCC Payment aXis Commission & Fee Settlement Detail record

15. Add new value ‘2 = Investor TIN/EIN’ to ‘SSN/EIN Number Indicator’ field on B/F31 DTCC Payment aXis Commission & Fee Settlement Detail record

Existing Field Name	New Field Name	Start	End	Type	Current Description	New Description
SSN/TIN Number Indicator	SSN/EIN Number Indicator	43	43	A/N	0 = Tax Id Number 1 = Social Security Number	0 = Tax Id Number 1 = Social Security Number 2 = Investor TIN/EIN

16. Rename SSN/TIN Number field to ‘SSN/EIN Number’ on B/F31 Detail record

Existing Field Name	New Field Name	Start	End	Type	Description
SSN/TIN Number	SSN/EIN Number	44	52	A/N	

17. Rename SSN/TIN Indicator field to ‘SSN/EIN Number Indicator’ on B/F31 Reject record

18. Modify description field to include full description values on B/F31 Reject record

19. Add new value 2 = Investor TIN/EIN to this field on B/F31 Reject record

Existing Field Name	New Field Name	Start	End	Type	Current Description	New Description
SSN/TIN Indicator	SSN/EIN Number Indicator	43	43	A/N	0 = TIN 1 = SSN	0 = Tax Id Number 1 = Social Security Number 2 = Investor TIN/EIN

20. Rename SSN/Tin field to ‘SSN/EIN Number’ on B/F31 Reject record

Existing Field Name	New Field Name	Start	End	Type	Description
SSN/TIN	SSN/EIN Number	44	52	A/N	

A/B/T50, A/B/T/F51 Account Conversion/ Update, Seq 1

21. Rename EIN/SS Number Indicator field to ‘SSN/EIN Number Indicator’

Existing Field Name	New Field Name	Start	End	Type	Description
EIN/SS Number Indicator	SSN/EIN Number Indicator	55	55	A/N	Required for Record Type 51 when System Code = F 0 = Tax Id Number 1 = Social Security Number 2 = Investor TIN/EIN

22. Rename EIN/SS Number field to ‘SSN/EIN Number’

Existing Field Name	New Field Name	Start	End	Type	Description
EIN/SS Number	SSN/EIN Number	56	64	A/N	Required for Record Type 51 when System Code = F

F72 Account Maintenance Reconciliation Detail, Seq #1

23. Rename Social Security/TIN # field to ‘SSN/EIN Number’

24. Rename Social Security/TIN # Indicator field to ‘SSN/EIN Indicator’

Existing Field Name	New Field Name	Start	End	Type	Description
Social Security/TIN #	SSN/EIN Number	46	54	A/N	
Social Security/TIN # Indicator	SSN/EIN Indicator	79	79	A/N	0 = Tax ID Number 1 = Social Security Number 2 = Investor TIN/EIN

B/F75 Share Aging Record

25. Add new value '2 = Investor TIN/EIN' to 'Customer SSN/EIN Indicator' field

Field Name	Start	End	Type	Current Description	New Description
Customer SSN/EIN Indicator	38	38	A/N	0 = Tax Id Number 1 = Social Security Number	0 = Tax Id Number 1 = Social Security Number 2 = Investor TIN/EIN

Networking – Account Conversion/Update/Transfer Record
Credit Account Indicator Field Enhancement

Modifications to 'Credit Account Indicator' field on the F53 Fund Acknowledgment record

26. Modify logic on the 'Credit Account Indicator' field to allow option 3 (Not Available) on F53 Fund Acknowledgment record for both B50 and B52 records (the 'Record Type 52 only' note will be removed).

Field Name	Start	End	Type	Current Description	New Description
Credit Account Indicator	56	56	A/N	1 = Firm Number 2 = Fund Number 3 = Not Available (Record Type 52 only)	1 = Firm Number 2 = Fund Number 3 = Not Available

Networking (Activity & Dividend/Capital Gain) and MFPS II – Distribution Declaration Records

Remove 5-Year Capital Gain Fields Value

Removal of 5-Year Capital Gain Fields and Associated Fields affect the following records:

- F45 Networking Activity Year End Tax Reporting - Individual Reallocation
- F62,F63, F64, F65 and F67 Networking Dividend/Capital Gain
- 041 MFPS II Distribution Declaration Capital Gains

F45 Networking Activity Year End Tax Reporting - Individual Reallocation Record, Seq 2

27. Remove 5-Year Capital Gain Rate field. This will become filler space.

Field Name	Start	End	Type	Current Description
5-Year Capital Gain Rate	75	80	N AN	999.999

F62, F63, F64, F65 and F67 Networking Dividend Records

27. Remove logic that required a value of 2 (Long Term Gain) or 3 (Gain on Collectables) for Capital Gain Indicator field on F62 (Seq 1) Header Record

- **NOTE** – this field will remain required for Capital Gain Record Type 62

Field Name	Start	End	Type	Current Description	New Description
Capital Gain Indicator	4	4	AN	Required for Record Type 62. 1 = Short Term Capital Gain 2 = Long Term Gain 3 = Gain on Collectables 4 = Section 1202 Gain 5 = Unrecaptured Section 1250. Must be equal 2 or 3 when 5-Year Capital Gain Rate is Provided.	Required for Record Type 62. 1 = Short Term Capital Gain 2 = Long Term Gain 3 = Gain on Collectables 4 = Section 1202 Gain 5 = Unrecaptured Section 1250.

28. Modify 5-Year Capital Gain Rate field to be filler space on F62, Seq 1

Field Name	Start	End	Type	Current Description
5-Year Capital Gain Rate	101	106	N AN	999.999

Modify the 5-Year Capital Gain Amount field to be filler space on the following records:

29. F63 Capital Gain Detail for Cash Accounts Not Subject to Withholding, Seq 1

30. F64 Capital Gain Detail for Cash Accounts Subject to Withholding, Seq 1

31. F65 Capital Gain Detail for Reinvest Accounts Not Subject to Withholding, Seq 2

32. F67 Capital Gain Detail Record for Reinvest Accounts – Supplemental

Field Name	Start	End	Type	Current Description
5-Year Capital Gain Amount	91	106	N AN	99,999,999,999,999.99

MFPS II - 041 Distribution Declaration Capital Gains Records

Both fixed and **variable** 041 record layouts will be modified. However, for the purpose of illustration, the variable record layouts are used below.

33. Remove value 4 (5-Year Capital Gain) from Distribution Indicator field.

Field Name	Start	End	Type	Current Description	New Description
Distribution Indicator	86	86	A/N	0 = N/A (Projected only) 1 = Spillover 2 = Reclassification 3 = Regular Distribution 4 = 5-Year Capital Gain @	0 = N/A (Projected only) 1 = Spillover 2 = Reclassification 3 = Regular Distribution @

Remove two Networking Reject Codes

34. Remove the H0 and H1 5-Year Capital Gain Networking Reject Codes from list

H0	5-Year Capital Gain Rate missing/invalid
H1	5-Year Capital Gain Amount missing/invalid