Guide To Your **USAA Investment Management Company**
USAA Mutual Funds Forms 1099-R, 1099-Q and 1099-SA
For Tax Year 2013

USAA is committed to providing accuracy in reporting tax information related to your mutual fund account(s) and help in understanding how it is used.

In this guide you will find:

- a general overview of tax reporting requirements.
- methods used to determine reported distributions from your investments custodied by USAA Investment Management Company (IMCO).
- the way the IRS treats distributions from your investments.
- descriptions and explanations of tax forms related to your investments.

If applicable to your USAA IMCO account, you may have received form(s) 1099-R, 1099-Q or 1099-SA.

The information in this brochure is not legal or tax advice. We recommend that you consult your legal and tax advisors if you need advice regarding your specific situation.

If a tax advisor prepares your income tax return, we encourage you to include the instructions for recipient when providing copies of your form(s) 1099.

Tax Return Assistance on **usaa.com**

From the **usaa.com** home page, select the "Documents" tab to sign up to receive your tax forms electronically in the future.

In addition to the information in this guide, on **usaa.com** keywords Tax Center, you may:

- view and print your USAA form(s) 1099.
- learn how to download Form 1099 information into TurboTax®.
- receive a discount on your Federal filing using TurboTax® online.
- read articles on recent tax law changes.
- access other tools and information to answer general tax questions and help you complete your tax return.
- link to IRS publications and forms.

If you are using TurboTax to prepare your income tax return, please note:

- 1099-R originals are available for download January 31, 2014.
- Any 1099-R corrections made January 16, 2014–February 10, 2014, will be available for download February 14, 2014.
- Any 1099-R corrections made February 11, 2014–February 24, 2014, will be available for download February 28, 2014.
- Any 1099-R corrections made February 25, 2014–March 24, 2014, will be available for download March 28, 2014.
- Any 1099-R corrections made March 25, 2014–April 7, 2014, will be available for download April 11, 2014.
- Any 1099 corrections made after April 7, 2014, will ***NOT*** be available for download.

FORM 1099-R

☐ CORRECTED (if checked)

This form is in a format prescribed by the IRS. It has been modified for clarity by USAA Investment Management Company.

PAYER'S name, street address, city or town, province or state, country, and ZIP or foreign postal code USAA FEDERAL SAVINGS BANK, CUSTODIAN c/o USAA SHAREHOLDER ACCOUNT SERVICES 9800 FREDERICKSBURG ROAD SAN ANTONIO, TX 78288		1 Gross distribution 2a Taxable amount	OMB No. 1545-0119 2013 Form 1099-R	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
PAYER'S federal identification number 74-6393739	RECIPIENT'S identification number	2b Taxable amount not determined ☐	Total distribution ☐	**Copy B** Report this income on your Federal tax return. If this form shows Federal income tax withheld in box 4, attach this copy to your return.
RECIPIENT'S name		4 Federal income tax withheld	7 Distribution code(s) / IRA/SEP/SIMPLE ☐	

Form 1099-R What is it?

The Form 1099-R you receive from USAA IMCO provides information to you and the IRS regarding distributions from your:

- IRAs (Traditional, Roth, SEP and SIMPLE)
- 403(b)(7)s
- Keogh plans

Who receives it?

Form 1099-R is delivered to shareholders who had total or partial distributions throughout the year from these types of accounts. Conversions and recharacterizations are also shown on Form 1099-R.

A **conversion** is a *distribution* of money from a traditional, SEP or SIMPLE IRA that is rolled over to a Roth IRA.

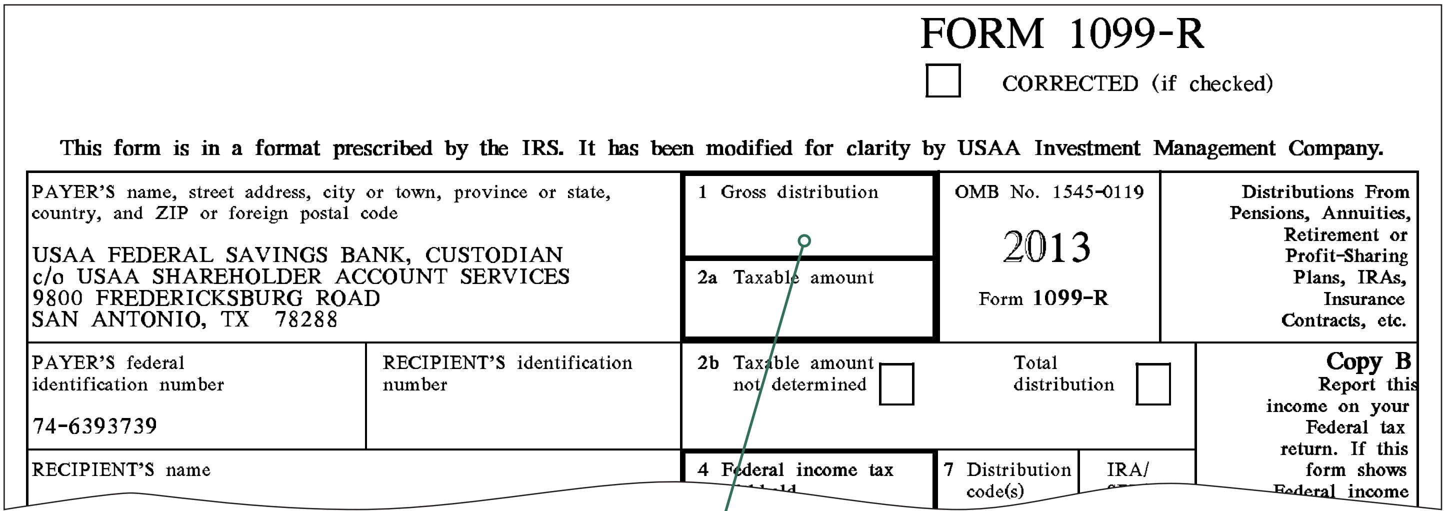
Recharacterization refers to the treatment of a *contribution* to one type of IRA as having been made to a different type of IRA, or to the treatment of a *conversion* to a Roth IRA as though it had not occurred.

Where is it reported?

You will use information from Form 1099-R when completing IRS form 1040 or 1040A, and you may also need to report it on one or more of these IRS forms:

- Form 8606 (Nondeductible IRAs)
- Form 4972 (Tax on Lump-Sum Distributions)
- Form 5329 (Additional Taxes on Qualified Plans [Including IRAs] and Other Tax-Favored Accounts)

Form 1099-R


FORM 1099-R

CORRECTED (if checked)

This form is in a format prescribed by the IRS. It has been modified for clarity by USAA Investment Management Company.

PAYER'S name, street address, city or town, province or state, country, and ZIP or foreign postal code

USAA FEDERAL SAVINGS BANK, CUSTODIAN
c/o USAA SHAREHOLDER ACCOUNT SERVICES
9800 FREDERICKSBURG ROAD
SAN ANTONIO, TX 78288

1 Gross distribution

2a Taxable amount

OMB No. 1545-0119

2013

Form 1099-R

Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.

PAYER'S federal identification number

74-6393739

RECIPIENT'S identification number

2b Taxable amount not determined

Total distribution

Copy B Report this income on your Federal tax return. If this form shows Federal income

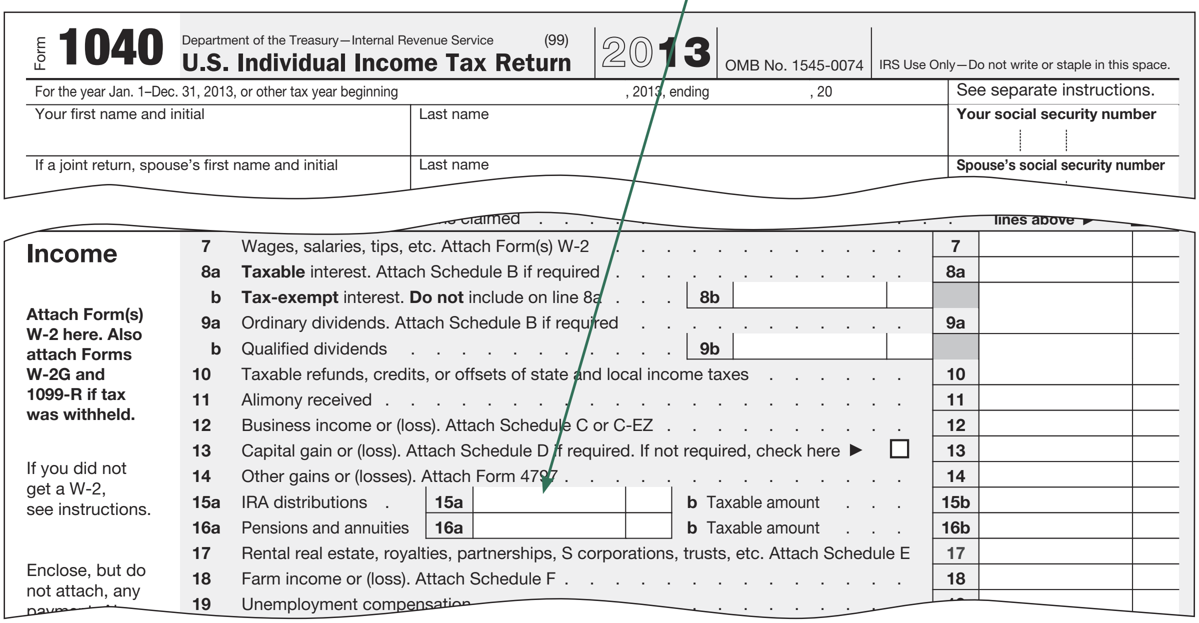
RECIPIENT'S name

4 Federal income tax

7 Distribution code(s)

IRA/

Form 1040


Form 1040 Department of the Treasury—Internal Revenue Service (99)

U.S. Individual Income Tax Return 2013 OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2013, or other tax year beginning , 2013, ending , 20 See separate instructions.

Your first name and initial | Last name | Your social security number

If a joint return, spouse's first name and initial | Last name | Spouse's social security number

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see instructions.

Enclose, but do not attach, any

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7
8a	**Taxable** interest. Attach Schedule B if required	8a
b	**Tax-exempt** interest. **Do not** include on line 8a — 8b	
9a	Ordinary dividends. Attach Schedule B if required	9a
b	Qualified dividends — 9b	
10	Taxable refunds, credits, or offsets of state and local income taxes	10
11	Alimony received	11
12	Business income or (loss). Attach Schedule C or C-EZ	12
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ ☐	13
14	Other gains or (losses). Attach Form 4797	14
15a	IRA distributions — 15a — b Taxable amount	15b
16a	Pensions and annuities — 16a — b Taxable amount	16b
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17
18	Farm income or (loss). Attach Schedule F	18
19	Unemployment compensation	

Refer to the IRS instruction book for IRS Form 1040 for more information.

Account Distributions

The amount in box 1 of Form 1099-R should be reported on line 15a of IRS Form 1040 or line 11a of IRS Form 1040A. (Special reporting rules may apply for direct distributions to qualified charities made by taxpayers age 70½ or over. See IRS instructions for form 1040 or 1040A.)

Lump-Sum Distribution from Keogh Plan

If the amount in box 1 of Form 1099-R is a lump-sum distribution from a Keogh plan, "Total Distribution" should be checked in box 2b. Use IRS Form 4972 (Tax on Lump-Sum Distribution) to choose the tax treatment that may be favorable to you, if you are eligible.

Form 1099-R

FORM 1099-R

☐ CORRECTED (if checked)

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PAYER'S name, street address, city or town, province or state, country, and ZIP or foreign postal code USAA FEDERAL SAVINGS BANK, CUSTODIAN c/o USAA SHAREHOLDER ACCOUNT SERVICES 9800 FREDERICKSBURG ROAD SAN ANTONIO, TX 78288	1 Gross distribution 2a Taxable amount	OMB No. 1545-0119 2013 Form 1099-R	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
PAYER'S federal identification number / RECIPIENT'S identification number	2b Taxable amount not determined ☐	Total distribution ☐	**Copy B** Report this income on your

Form 8606

Form **8606** Department of the Treasury Internal Revenue Service (99)	**Nondeductible IRAs** ▶ Information about Form 8606 and its separate instructions is at *www.irs.gov/form8606.* ▶ Attach to Form 1040, Form 1040A, or Form 1040NR.	OMB No. 1545-0074 **2013** Attachment Sequence No. **48**

Name. If married, file a separate form for each spouse required to file Form 8606. See instructions. | **Your social security number**

...rollovers (see instructions)

7	Enter your distributions from traditional, SEP, and SIMPLE IRAs in 2013. **Do not** include rollovers, qualified charitable distributions, a one-time distribution to fund an HSA, conversions to a Roth IRA, certain returned contributions, or recharacterizations of traditional IRA contributions (see instructions)	7	
8	Enter the net amount you converted from traditional, SEP, and SIMPLE IRAs to Roth IRAs in 2013. **Do not** include amounts converted that you later recharacterized (see instructions). Also enter this amount on line 16	8	
9	Add lines 6, 7, and 8 9		
10	Divide line 5 by line 9. Enter the result as a decimal rounded to at least 3 places. If the result is 1.000 or more, enter "1.000"	10	× .
11	Multiply line 8 by line 10. This is the nontaxable portion of the amount you converted to Roth IRAs. Also enter this amount on line 17	11	
12	Multiply line 7 by line 10. This is the ... of your		

Nondeductible IRA Contributions

If you made nondeductible IRA contributions for 2013 or in previous years, report the amount of these contributions on IRS Form 8606 (Nondeductible IRAs) to determine the taxable portion of your distribution. Report the distribution amount from box 1 of Form 1099-R on line 7 or 8 of Form 8606.

Form 1099-R

FORM 1099-R

☐ CORRECTED (if checked)

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PAYER'S name, street address, city or town, province or state, country, and ZIP or foreign postal code USAA FEDERAL SAVINGS BANK, CUSTODIAN c/o USAA SHAREHOLDER ACCOUNT SERVICES 9800 FREDERICKSBURG ROAD SAN ANTONIO, TX 78288		1 Gross distribution 2a Taxable amount	OMB No. 1545-0119 2013 Form 1099-R	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
PAYER'S federal identification number 74-6393739	RECIPIENT'S identification number	2b Taxable amount not determined ☐	Total distribution ☐	**Copy B** Report this income on your Federal tax return. If this form shows Federal income tax withheld in box 4, attach this copy to your return.
RECIPIENT'S name		4 Federal income tax withheld	7 Distribution code(s) / IRA/ SEP/ SIMPLE ☐	

Form 5329

Form **5329**

Department of the Treasury
Internal Revenue Service (99)

Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts

▶ Attach to Form 1040 or Form 1040NR.

▶ Information about Form 5329 and its separate instructions is at *www.irs.gov/form5329*.

OMB No. 1545-0074

2013

Attachment Sequence No. **29**

...part to indicate that you qualify for an exception to the additional tax on early distributions or for certain Roth IRA distributions (see instructions).

1	Early distributions included in income. For Roth IRA distributions, see instructions	**1**	
2	Early distributions included on line 1 that are not subject to the additional tax (see instructions). Enter the appropriate exception number from the instructions: ________	**2**	
3	Amount subject to additional tax. Subtract ...		

Distribution Type

Box 7 of Form 1099-R identifies the distribution type. See Instructions for Recipient, Box 7, of your Form 1099-R for an explanation of the code(s) appearing here.

For example, code 1 indicates distributions made before you reached age 59½ and that are, in general, subject to a 10% additional tax. However, as explained in the Form 1040 instructions, certain exceptions to the additional tax apply with respect to qualified withdrawals for first-time homebuyers' expenses, higher education expenses, medical insurance premiums and deductible medical expenses. For further clarification of exceptions, see IRS Publication 590 Individual Retirement Arrangements discussed in Chapter 1 under Early Distributions.

Distribution Code 1

If your Form 1099-R has a distribution code 1 in box 7 and you qualify for an exception to the additional tax, you may be required to file Form 5329 (Additional Taxes on Qualified Plans [Including IRAs] and Other Tax-Favored Accounts). Report the amount in box 1 of your Form 1099-R on Form 5329, line 1.

Form 1099-R

FORM 1099-R

☐ CORRECTED (if checked)

This form is in a format prescribed by the IRS. It has been modified for clarity by USAA Investment Management Company.

PAYER'S name, street address, city or town, province or state, country, and ZIP or foreign postal code USAA FEDERAL SAVINGS BANK, CUSTODIAN c/o USAA SHAREHOLDER ACCOUNT SERVICES 9800 FREDERICKSBURG ROAD SAN ANTONIO, TX 78288		1 Gross distribution 2a Taxable amount	OMB No. 1545-0119 2013 Form **1099-R**	**Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.**
PAYER'S federal identification number 74-6393739	RECIPIENT'S identification number	2b Taxable amount not determined ☐	Total distribution ☐	**Copy B** **Report this income on your Federal tax return. If this form shows Federal income tax withheld in box 4, attach this copy to your return.**
RECIPIENT'S name		**4 Federal income tax withheld**	7 Distribution code(s) / IRA/SEP/SIMPLE ☐	
Plan ID number	12 State tax withheld	13 State/Payer's state no.	14 State distribution	This information is being furnished to the Internal Revenue Service.

Department of the Treasury-Internal Revenue Service

State Income Tax

Any state income tax withheld from retirement account distributions will be shown in box 12. For more information, see IRS Publication 590 (Individual Retirement Arrangements).

Form 1099-Q

FORM 1099-Q

☐ CORRECTED (if checked)

This form is in a format prescribed by the IRS. It has been modified for clarity by USAA Investment Management Company.

PAYER'S name, street address, city or town, province or state, country, and ZIP or foreign postal code USAA FEDERAL SAVINGS BANK, CUSTODIAN c/o USAA SHAREHOLDER ACCOUNT SERVICES 9800 FREDERICKSBURG ROAD SAN ANTONIO, TX 78288	1 Gross distribution 2 Earnings	OMB No. 1545-1760 2013 Form **1099-Q**	**Payments From Qualified Education Programs (Under Sections 529 and 530)**
	3 Basis $	4 Trustee-to-trustee transfer ☐	**Copy B For Recipient** 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.
PAYER'S/TRUSTEE'S federal identification number 74-6393739 | RECIPIENT'S social security number RECIPIENT'S name	5 Check one: • Qualified tuition program– Private ☐ **or** State ☐ • Coverdell ESA ☐	6 If this box is checked, the recipient is not the designated beneficiary ☐	
Plan ID number	If the FMV is shown below, see **Pub. 970**, ... Education, for how to fi		

Form 1099-Q What is it? Who receives it?

The Form 1099-Q you receive from USAA IMCO provides information to you and the IRS regarding distributions or trustee-to-trustee transfers from your:

- Coverdell Education Savings Account (ESA).
- 529 College Savings Plan Account, a qualified tuition program (QTP) defined under Internal Revenue Code section 529.

In the event you took distributions from both a USAA Coverdell ESA and a USAA 529 College Savings Plan Account, you will receive a separate Form 1099-Q for each account.

Where is it reported?

You may need to use information from Form 1099-Q when completing IRS form 1040 or 1040A, and you may also need to report it on IRS Form 5329 (Additional Taxes on Qualified Plans [including IRAs] and Other Tax-Favored Accounts).

FORM 1099-Q

☐ CORRECTED (if checked)

This form is in a format prescribed by the IRS. It has been modified for clarity by USAA Investment Management Company.

PAYER'S name, street address, city or town, province or state, country, and ZIP or foreign postal code USAA FEDERAL SAVINGS BANK, CUSTODIAN c/o USAA SHAREHOLDER ACCOUNT SERVICES 9800 FREDERICKSBURG ROAD SAN ANTONIO, TX 78288		1 Gross distribution 2 Earnings	OMB No. 1545-1760 2013 Form **1099-Q**	**Payments From Qualified Education Programs (Under Sections 529 and 530)**
		3 Basis $	4 Trustee-to-trustee transfer ☐	**Copy B For Recipient** 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
PAYER'S/TRUSTEE'S federal identification number 74-6393739	RECIPIENT'S social security number	5 Check one: • Qualified tuition program– Private ☐ or State ☐	6 If this box is checked, the recipient is not the designated beneficiary ☐	
RECIPIENT'S name				

Taxable Distributions

IRS Publication 970 (Tax Benefits for Education) provides information to recipients for figuring and reporting the taxable portion of a withdrawal, if any, reported on Form 1099-Q. We also recommend that you consult a tax advisor regarding:

- the benefits and taxable events of ESAs and qualified tuition programs.
- the restrictions that apply to designating a beneficiary.
- the calculation of taxable amounts.

In general, part or all of the amount shown in box 1 is taxable to the beneficiary, who should report the taxable amount on Form 1040, line 21 ("Other income"). (The payer—USAA—is not required to and does not compute the taxable amount of any ESA or 529 College Savings Plan Account distribution.) See Form 1040 on the next page.

Non-Taxable Distributions

Distributions that meet certain criteria are not taxable and need not be reported on Form 1040. These distributions may include:

- One transfer or rollover per beneficiary in a 12-month period to another education program, completed within 60 days of the distribution.
- Qualified education expenses (limited to higher education expenses for a 529 College Savings Plan Account) totaling at least as much as the amount withdrawn.

Form 1040

Form **1040** Department of the Treasury—Internal Revenue Service (99)
U.S. Individual Income Tax Return 2013 OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2013, or other tax year beginning , 2013, ending , 20 | See separate instructions.

Your first name and initial	Last name	**Your social security number**
If a joint return, spouse's first name and initial	Last name	**Spouse's social security number**

Enclose, but do not attach, any payment. Also, please use **Form 1040-V.**

17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
18	Farm income or (loss). Attach Schedule F	18	
19	Unemployment compensation	19	
20a	Social security benefits 20a	b Taxable amount	20b	
21	Other income. List type and amount	21	
22	Combine the amounts in the far right column for lines 7 through 21. This is your **total income** ▶	22	
23	Reserved 23		

Form 5329

Form **5329** Department of the Treasury Internal Revenue Service (99)

Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts

▶ **Attach to Form 1040 or Form 1040NR.**

▶ **Information about Form 5329 and its separate instructions is at *www.irs.gov/form5329*.**

OMB No. 1545-0074 2013 Attachment Sequence No. **29**

Name of individual subject to additional tax. If married filing jointly...

to include 25% of that amount on line 4 instead of 10% (see instructions).

Part II Additional Tax on Certain Distributions From Education Accounts

Complete this part if you included an amount in income, on Form 1040 or Form 1040NR, line 21, from a Coverdell education savings account (ESA) or a qualified tuition program (QTP).

5	Distributions included in income from Coverdell ESAs and QTPs	5	
6	Distributions included on line 5 that are not subject to the additional tax (see instructions)	6	
7	Amount subject to additional tax. Subtract line 6 from line 5	7	

Additional Taxes

An additional 10% tax may apply to part or all of the amount included in income from an ESA or 529 College Savings Plan Account. (Publication 970 outlines in detail the exceptions to this tax.)

Generally, the amount of the taxable distribution is to be reported on Form 5329.

Form 1099-SA

FORM 1099-SA

☐ CORRECTED (if checked)

This form is in a format prescribed by the IRS. It has been modified for clarity by USAA Investment Management Company.

PAYER'S name, street address, city or town, province or state, country, and ZIP or foreign postal code USAA FEDERAL SAVINGS BANK, CUSTODIAN c/o USAA SHAREHOLDER ACCOUNT SERVICES 9800 FREDERICKSBURG ROAD SAN ANTONIO, TX 78288		OMB No. 1545-1517 2013 Form 1099-SA	**Distributions From an HSA, Archer MSA or Medicare Advantage MSA**

PAYER'S federal identification number	RECIPIENT'S identification number	1 Gross distribution	2 Earnings on excess contributions	

Form 8853

Form **8853**

Department of the Treasury
Internal Revenue Service (99)

Archer MSAs and Long-Term Care Insurance Contracts

▶ Information about Form 8853 and its separate instructions is available at *www.irs.gov/form8853.*

▶ Attach to Form 1040 or Form 1040NR.

OMB No. 1545-0074

2013

Attachment Sequence No. **39**

Name(s) shown on return ... number of MSA

... you may have to pay an additional tax ...

Part II Archer MSA Distributions

6a	Total distributions you and your spouse received in 2013 from all Archer MSAs (see instructions) .	**6a**	
b	Distributions included on line 6a that you rolled over to another Archer MSA or a health savings account. Also include any excess contributions (and the earnings on those excess contributions) included on line 6a that were withdrawn by the due date of your return (see instructions)	**6b**	

Form 1099-SA What is it? Who receives it?

Form 1099-SA shows shareholder distributions from Archer Medical Savings Accounts (MSAs). You will receive one if you had distributions during the year. (Archer MSAs are no longer offered by USAA IMCO for new accounts.)

You must file IRS Form 8853 (Archer MSAs and Long-Term Care Insurance Contracts) with your IRS Form 1040 to report a distribution from an MSA and calculate the taxable portion. (The payer—USAA—is not required to and does not compute the taxable amount of any MSA distribution.)

Where is it reported?

An MSA distribution, shown in box 1, generally is not taxable if you used it to pay qualified medical expenses for yourself or your family, or if you rolled it over to another MSA or health savings account (HSA). Otherwise, you must include the distribution in your income on IRS Form 8853, and you may owe a 20% penalty. For more information, see IRS Publication 969 (Health Savings Accounts and Other Tax-Favored Health Plans).

For more information regarding your USAA Tax Documents, please visit usaa.com, keyword "Tax Center" or contact one of our Member Service Representatives at 800-531-6347. Questions regarding your specific tax situation should be directed to your tax and legal advisers. For assistance with Turbo Tax, please visit turbotax.intuit.com/support/contact.

The contents of this document is not intended to be, and is not, legal or tax advice. The applicable tax law is complex, the penalties for non-compliance are severe, and the applicable tax law of your state may differ from federal tax law. Therefore, you should consult your tax and legal advisers regarding your specific situation.

The applicable law concerning retirement plans, Coverdell ESAs, 529 plans and MSAs is very complex, the penalties for noncompliance are severe, and the applicable tax laws of your state may differ from the federal laws. Therefore, you should consult your tax and legal advisors regarding your specific situation.

USAA Investment Management Company (USAA), Distributor
45370-0114