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## QUESTIONS & ANSWERS

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### **I received all my 1099 tax forms in January/February. Why is Form 5498-ESA being mailed to me now?**

Form 5498-ESA is sent after April 15 (or, generally, the last day to file your 2018 income tax return without an extension) to ensure that all contributions made to your Coverdell ESA account in 2018, and 2019 which were designated for 2018, are accurately reported to you and to the IRS. Since federal tax law allows these designated contributions to be made during the period from January 1, 2018, though April 15, 2019, confirmation cannot be sent until after April 15. Federal tax rules require Dreyfus to furnish this form to you no later than April 30, 2019.

### **What is the tax treatment of Coverdell ESA contributions and earnings?**

Coverdell ESA contributions are not tax deductible, but deposits grow tax-free until withdrawn. Withdrawals from Coverdell ESAs are generally tax-free to the extent that the amount of the withdrawal is not more than the beneficiary's qualified education expenses.

### **When can Coverdell ESA assets be withdrawn?**

Coverdell ESA distributions may be made at any time. As long as the distribution is applied to payment of the qualified education expenses of the designated beneficiary, it will

generally not be considered taxable income for the beneficiary. Coverdell ESA assets generally must be used before the beneficiary reaches the age of 30 years. At that point, the funds will be distributed to, and generally considered taxable income of, the beneficiary, with the exception of special needs beneficiaries who are not subject to any age restrictions. To avoid this, the funds in a Coverdell ESA may be rolled over into a Coverdell ESA for another eligible family member before the primary beneficiary reaches age 30.

### **What is the tax treatment for Coverdell ESA distributions not used for qualified education expenses?**

The earnings portion of a Coverdell ESA distribution that is not considered to be for qualified education expenses will be included in the gross income of the beneficiary and an additional 10 percent IRS tax penalty may apply.

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If you have any further questions on your account(s) or the materials enclosed, please feel free to call us at the telephone number printed on your tax form, contact your advisor or visit us at [www.dreyfus.com](http://www.dreyfus.com). You may also obtain more information by visiting the IRS website at [www.irs.gov](http://www.irs.gov).

The information in this guide is not considered legal or tax advice. Your particular circumstances may require you to report tax information differently. **Any questions on how to report your tax information should be referred to your tax advisor.**

Information detailed on the sample form in this guide is hypothetical and for illustrative purposes only.

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## 2018 TAX INFORMATION GUIDE

### FORM 5498-ESA

We are pleased to provide you with this Tax Information Guide for your Dreyfus Form 5498-ESA for 2018. The enclosed Form 5498-ESA reports Coverdell Education Savings Account (ESA) contributions and rollovers made for you for 2018. **This information is reported to the Internal Revenue Service (IRS).** For more information about Coverdell ESAs see IRS Publication 970, Tax Benefits for Education.

THE BANK OF NEW YORK MELLON, CUST  
P.O. BOX 9882  
PROVIDENCE RI 02940-8082

☐ CORRECTED (if checked)

A

Beneficiary's Name and Address:  
00001 DRF001  
THE BANK OF NEW YORK MELLON CUST  
COVERDELL ESA FBO  
JOHN Q PUBLIC  
PAT Q PUBLIC RESP. INV  
123 STREET NAME  
HOMETOWN ST 99999-9999

B

2018 FORM 5498-ESA  
COVERDELL ESA  
CONTRIBUTION  
INFORMATION  
Copy B for Beneficiary

BENEFICIARY'S TIN

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OMB NO. 1545-1815

BNY MELLON

Dreyfus

For additional information, please call:  
1-800-645-6561

Trustee's/Issuer's Name Trustee's/Issuer's TIN Fund & Account Number	1. Coverdell ESA Contributions	2. Rollover Contributions
<div><div>C</div><div>THE BANK OF NEW YORK MELLON CUST 99-9999999 0032 – 0000666666</div></div>	\$500.00	
<div>THE BANK OF NEW YORK MELLON CUST 99-9999999 0033 – 0000666666</div>	\$250.00	

**A** BENEFICIARY'S NAME & ADDRESS

Your registration and mailing address. You are the beneficiary of the account listed on this form.

**B** BENEFICIARY'S TIN

The number under which the contribution amounts and account values have been reported to the IRS. For individuals this is your Social Security Number, which has been masked on both paper forms and on electronic forms available behind the secure log in on Dreyfus.com. Employer Identification Numbers have also been masked.

**C** TRUSTEE'S/ISSUER'S NAME AND FEDERAL IDENTIFICATION NUMBER, ACCOUNT NUMBER

The name and federal identification number of the trustee/issuer, and the account number of the fund account in which the contribution or rollover contribution was invested.

**Box 1. COVERDELL ESA CONTRIBUTIONS**

Reports Coverdell ESA contributions made on your behalf in 2018 and through April 15, 2019, designated for 2018. Do not deduct these amounts on your income tax return. If the total contributions made to all your Coverdell ESAs for 2018 exceeded \$2,000, you must withdraw the excess, plus earnings, by May 31, 2019, or you may owe a penalty. You must keep track of your Coverdell ESA basis (contributions and distributions).

**Box 2. ROLLOVER CONTRIBUTIONS**

Reports any rollover contribution you made in 2018. Generally, any amount rolled over from one Coverdell ESA to another Coverdell ESA for the benefit of the named beneficiary or a member of the beneficiary's family who is under age 30 is not taxable.