

## Pershing Unrelated Business Taxable Income (UBTI) Reporting

Pershing is required to report unrelated business taxable income (UBTI) to the Internal Revenue Service (IRS) using IRS Form 990T, Exempt Organization Business Income Tax Return and, when appropriate, IRS Form 8868, Application for Extension of Time to File an Exempt Organization Return. Filing will be ongoing until Oct 15. UBTI is income earned by a tax-exempt entity, such as Individual Retirement Account (IRA), that is not related to the exempt purpose of the tax-exempt entity.

Tax reporting is required each year for tax-deferred accounts invested in limited partnerships that earned \$1,000 or more of UBTI.

### **Please note:**

On behalf of BNY Mellon's Pershing, PwC will mail a letter to your clients, explaining the UBTI process and enclosing a copy of the IRS Form 990-T and any applicable state tax return(s), which include a schedule reflecting the name of the limited partnership(s) and the UBTI earned. The letter will also advise your clients of the intended filing date so that you can work with your clients to ensure that there is sufficient cash in the account to cover their total tax liability.

Copies of the IRS Form 990-T will be available within Pershing's Document Center in NetX360 once it is generated. The letter will be imaged in the Imaged Documents tab in Document Center, in NetX360.

An Items for Attention (IFA), Taxes Due—Unrelated Business Taxable Income, will be created to notify your firm when investor IRAs have tax due.

**Please see attached for a list of accounts impacted, investments that generate UBTI, and types of forms used to file.**