

Goldman Sachs GQG Partners International Opportunities Fund Remediation Additional IRA Considerations

Goldman Sachs GQG Partners International Opportunities Fund (the “Fund”) retained Ernst & Young LLC (“EY”) to provide tax advice relating to the Goldman Sachs Fund Remediation, including regarding its information return reporting and withholding obligations. This document points out some issues eligible claimants may wish to consider, along with their tax advisors.

For share issuance, if there is a remediation for an IRA account that is deposited/credited into an IRA account, does it impact contribution amounts?

No it does not impact contribution Per IRS Revenue Ruling 2002-45, if there is a deposit/credit amounts made into the IRA that is considered a restorative payment which restores losses from the IRA are not considered contributions and would not impact the amount a participant can contribute to an IRA as long the payment is limited to the actual harm suffered by the IRA including compensation for lost earnings.

For cash issuance, if the check is made payable to “ABC custodian fbo Jane Doe”, and the investor deposits the check into the IRA is the deposit considered a contribution?

No, the deposit of the check would not be considered a contribution. Per IRS Revenue Ruling 2002-45, if there is a deposit made into the IRA that is considered a restorative payment which restores losses from the IRA are not considered contributions and would not impact the amount a participant can contribute to an IRA as long the payment is limited to the actual harm suffered by the IRA including compensation for lost earnings.

If the investor cashes the check into an account other than the IRA, is it considered a distribution?

Yes, if the investor cashes the check for the restorative payment and receives the funds personally rather than deposit it to the IRA it is considered a distribution tax as ordinary income under IRC §408(d)(1) in the year which it is received and subject any applicable early withdrawal penalties under IRC §72(t)(1). No 1099-R will be issued by Goldman Sachs’ tax administrator (Kroll Agency Services (US) LLC).

NOTE: You should consult with your custodian for any operational processing requirements related to IRA accounts. You should consult with your tax advisor with respect to the tax consequences of the distribution payment, including the effects of U.S. Federal, State, Local, and Non-U.S. tax rules and the effect of possible changes in laws.