Morgan Stanley
AT WORK

Tax Filing Basics for Stock Plan Transactions for E*TRADE from Morgan Stanley

For US Participants

Tax reporting for stock plan transactions can be confusing, as you need to understand federal income tax laws and regulations, as well as know which Internal Revenue Service (IRS) forms must be filed.

If you sell stock as a result of participation in your company's stock plan, you may need to:

- Refer to the cost basis in your account
- Make any adjustments to it, if necessary
- Determine whether you have realized a capital gain or loss

To simplify the process, here is some basic information about stock sales that may help you have a less stressful tax season.

Important Note: Morgan Stanley and its affiliates do not provide tax advice. This guide is not intended to be comprehensive tax advice or to replace the advice of a tax advisor. We recommend you seek the counsel of a tax advisor to obtain personalized and comprehensive guidance.

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Tax Documents You Will Need

Morgan Stanley at Work has continually made improvements to your stock plan experience including some Morgan Stanley at Work stock plan accounts being converted to E*TRADE from Morgan Stanley stock plan accounts. As a result, you may receive multiple tax forms from Morgan Stanley, including Morgan Stanley at Work and E*TRADE from Morgan Stanley, depending on where your stock plan transaction occurred in 2025.

These tax statements contain information related to different transactions, and you and your tax advisor should consider and review all tax forms received when preparing your 2025 income tax return. Please note, not all tax forms may be received at the same time.

You may need various documents and forms to report your sales of stock related to a stock plan on your tax return. The table below lists the common tax forms, what they're used for and how to obtain them.

	FORMS	WHAT IS THE FORM FOR?	HOW DO I OBTAIN?
Company Form	Form W-2[1]	Form W-2 is the Wage and Tax Statement that your employer uses to report employee wage and salary information and the amount of taxes withheld from an employee's paycheck for the year to the IRS	Your Company will send this to you.
	Form 3921	IRS Form 3921 is a form you receive from your employer typically when you acquire or sell shares through the exercise of an incentive stock option	
	Form 3922	IRS Form 3922 is a form you receive from your employer typically when you purchase shares through your qualified Employer Stock Purchase Plan (ESPP). This form is not applicable for shares purchased through a non-qualified plan.	
IRS Forms	Form 8949	Form 8949 is used to report sales and other dispositions of capital assets to the IRS.	Visit your local IRS office or call 800-TAXFORM.
	Schedule D (Form 1040)	Schedule D (Form 1040) is used to report your capital gains and losses to the IRS.	Go to www.irs.gov
Morgan Stanley at Work	Form 1099-B[2]	Form 1099-B reports any sale transactions completed during the year and backup withholding applied to the transaction (if any). You may receive more than one Form 1099-B from Morgan Stanley at Work and/or E*TRADE from Morgan Stanley depending on your circumstances and when your stock plan transaction occurred, as noted above.	We generally send this to you by February 15 of the year following your transaction. Go to the Documents page on etrade.com. Select the desired tax year and account.
	Stock Plan Transactions Supplement	The Stock Plan Transactions Supplement provides information like adjusted gain/loss that may be needed to prepare your income tax return.	Go to the Documents page on etrade.com. Select the desired tax year and account.

Note: If you've received a distribution from a cash-settled award, such as a restricted cash plan, the ordinary income and taxes will generally be reported on your Form W-2 provided by your company. Morgan Stanley at Work does not report on this type of transaction. This summary does not address tax forms and reporting applicable to US non-residents, such as Form 1042-S, or state tax reporting. Please contact your company with any questions.

[1] If you are not an employee but received compensation, the company may send Form 1099-NEC instead of Form W-2. You will also receive information about your exercise of an ISO on Form 3921 and your transfer of stock acquired through an ESPP on Form 3922. These statements include exercise date, exercise price and fair market value at exercise, as well as additional information.

[2] Keep in mind, not all transactions generate a Form 1099-B.

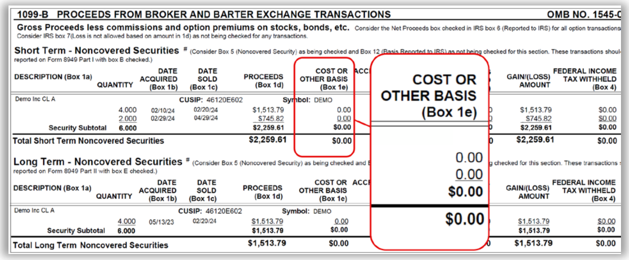
Changes to Cost Basis for 2025

As part of Morgan Stanley at Work's commitment to delivering world class service, enhancements were made to US cost basis reporting, effective January 1, 2025.

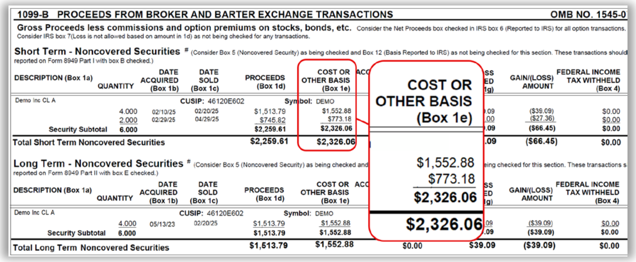
As a result of the reporting enhancement, your Form 1099-B will now show an adjusted cost basis for most stock plan shares that were not purchased for cash (noncovered securities). This may include Restricted Stock Awards and Restricted Stock Units, Performance Stock Awards and Performance Stock Units, and Stock Appreciation Rights exercises. For these shares, the cost basis now includes the ordinary income you were already taxed on when the shares vested or were exercised, and it also includes adjustments for commissions and fees, wash sales, dividend reclassifications, and corporate actions, where applicable. The cost basis is displayed for your reference but is not reported to the IRS.

Below are the changes you'll see on your Form 1099-B and Stock Plan Transactions Supplement*:

2024

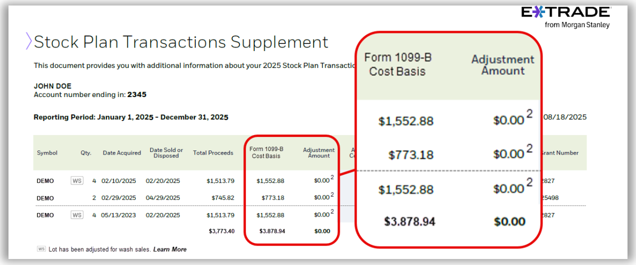


2025



2024

2025



These changes affect reporting for noncovered securities only. Covered securities are not affected. Covered and noncovered securities generally include:

Covered Securities (Cost basis is reported to the IRS)	Noncovered Securities (Cost basis is *NOT* reported to the IRS)
• Shares acquired via ESPP post January 1, 2011 • Shares acquired via Stock Options post January 1, 2011 • Shares acquired via Restricted Stock Awards and Performance Stock Awards that were acquired for cash after January 1, 2011 • Shares acquired via Dividend Reinvestment post January 1, 2012	• Shares acquired via Restricted Stock Awards and Performance Stock Awards that were not acquired for cash • Shares acquired via Stock Appreciation Rights (SARs) • Shares acquired prior to January 1, 2011

**The information provided on the Stock Plan Transactions Supplement and 1099-B are now the same for noncovered securities.*

Any gain or loss you realize from the sale of shares from an equity compensation plan will need to be reported on your federal income tax return. To determine if you had a gain or a loss, you will need to know the cost basis of the shares. When available, we will provide the original purchase price plus any applicable fees to assist in making this calculation. In addition, you may need to adjust the cost basis to reflect any compensation income reported by your employer.

It is important to understand how to calculate and report cost basis when filing your taxes. We will report cost basis information to the IRS for securities considered "covered" under IRS cost basis reporting regulations. Whether a security is "covered" or "noncovered" is generally determined by the type of security and when and how it was acquired. You will see this identified on Form 1099-B. It is possible to have both covered and noncovered shares of the same security.

Regardless of the covered or noncovered status of a security, you may still need to adjust cost basis when reporting on IRS Form 8949 and Schedule D of Form 1040. Refer to the instructions on the next page for assistance in calculating cost basis.

Tax Reporting on Shares Transferred Out of Your Stock Plan Account

Shares transferred out of your stock plan account and into another account are still subject to cost basis reporting rules. It's important that you maintain the details of your stock plan transactions (Confirmations, Statements and Forms W-2 or Form 1099-NEC). Also remember to make any adjustments, as needed, to the cost basis for future transactions involving lots for which income was reported in prior years.

What is "cost basis"?

Cost basis refers to the cost of shares plus any adjustments under the tax rules and is used to calculate gains or losses for tax purposes.

What does "covered" versus "noncovered" mean?

"Covered" means the security's cost basis must be reported to the IRS by Morgan Stanley at Work. If "noncovered," Morgan Stanley at Work is not required to report the cost basis.

You may receive multiple Forms 1099 if:

- You sell long shares within more than one Morgan Stanley or E*TRADE from Morgan Stanley brokerage account

Note: You should ensure you've received a Form 1099-B or Form 1099-DIV for all reportable transactions.

Instructions for Calculating Cost Basis

1 Find your Grant/Award type and transaction type in Column A.

2 Refer to Column B to see the cost basis reported on Form 1099-B

3 Determine if an adjustment is necessary in Column C and how it is calculated. (The "full" cost basis is determined by adding Column B and C together.)

4 Consider if the "wash sale" rule applies to you.

Column A Grant/Award Type and Transaction Taking Place in Your Stock Plan Account	**Column B** Cost Basis Shown on Form 1099-B (Include this amount in the amount reported in column (e) on Part I or Part II of Form 8949 and Schedule D of Form 1040)	**Column C** How to Adjust Cost Basis for Form 8949 and Schedule D (Include this amount in the amount reported in column (g) on Part I or Part II of Form 8949 and Schedule D of Form 1040)
Restricted Stock Units and Performance Stock Units Where Price = $0.00		
Sell-to-Cover (STC) / Same-Day-Sale (SDS) at the time the shares vest	Fair Market Value (FMV) at Vest:[4, 5] (Number of shares sold x FMV at vest) + Any Applicable Fees	Not Applicable
Sell long shares post-vest	FMV at Vest:[4, 5] (Number of shares sold x FMV) + Fees to Acquire Shares	Not Applicable
Restricted Stock Units and Performance Stock Units Where Price > $0.00		
Sell-to-Cover (STC) / Same-Day-Sale (SDS) at the time the shares vest	Award Price: (Number of shares sold x Award Price) + Fees to Acquire Shares	Calculate the difference between the FMV at Vest and the Award Price multiplied by the number of shares sold.*
Sell long shares post-vest	Award Price: (Number of shares sold x Award Price) + Fees to Acquire Shares	Calculate the difference between the FMV at Vest and the Award Price multiplied by the number of shares sold.*
Restricted Stock Awards and Performance Stock Awards Where Award Price = $0.00		
Sell-to-Cover (STC) / Same-Day-Sale (SDS) at the time the shares vest	Fair Market Value (FMV) at Vest:[3,4, 5] (Number of shares sold x FMV at vest) + Fees to Acquire Shares	Not Applicable
Sell long shares post-vest	FMV at Vest:[3,4, 5] (Number of shares sold x FMV) + Fees to Acquire Shares	Not Applicable
Restricted Stock Awards and Performance Stock Awards Where Award Price > $0.00		
Sell-to-Cover (STC) / Same-Day-Sale (SDS) at the time the shares vest	Award Price: (Number of shares sold x Award Price) + Fees to Acquire Shares	Calculate the difference between the FMV at Vest[3] and the Award Price multiplied by the number of shares sold.*
Sell long shares post-vest	Award Price: (Number of shares sold x Award Price) + Fees to Acquire Shares	Calculate the difference between the FMV at Vest[3] and the Award Price multiplied by the number of shares sold.*
Stock Settled SARs		
Same Day Sale (SDS)	Number of shares sold x Exercise Date FMV[4] + Fees to Acquire Shares	Not applicable
Exercise and Hold with net shares sold at a later date		

3 Assuming no Section 83(b) election was made.
4 Beginning with the 2025 Form 1099-B, this amount already includes any ordinary income recognized at vest.
5 Assuming you did not make a payment in exchange for the restricted stock.
* Refer to the Stock Plan Transactions Supplement on etrade.com.

Instructions for Calculating Cost Basis

1 Find your Grant/Award type and transaction type in Column A.

2 Refer to Column B to see the cost basis reported on Form 1099-B

3 Determine if an adjustment is necessary in Column C and how it is calculated. (The "full" cost basis is determined by adding Column B and C together.)

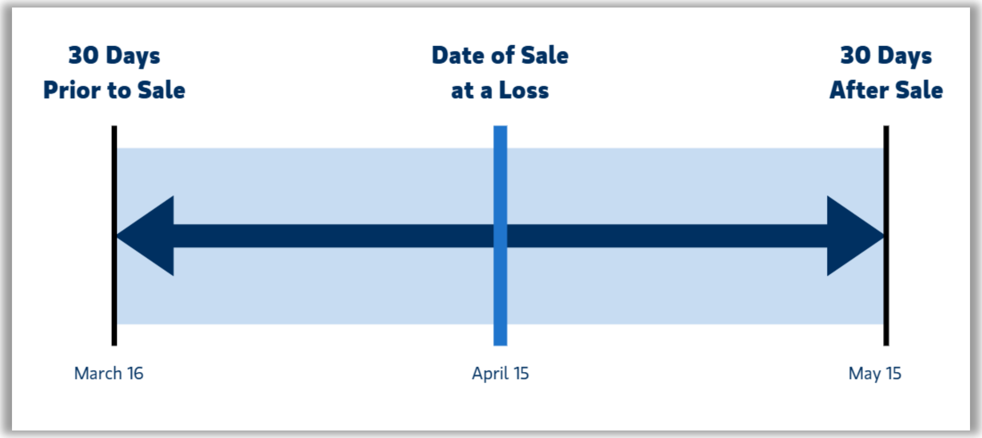
4 Consider if the "wash sale" rule applies to you.

Column A Grant/Award Type and Transaction Taking Place in Your Stock Plan Account	**Column B** Cost Basis Shown on Form 1099-B (Include this amount in the amount reported in column (e) on Part I or Part II of Form 8949 and Schedule D of Form 1040)	**Column C** How to Adjust Cost Basis for Form 8949 and Schedule D (Include this amount in the amount reported in column (g) on Part I or Part II of Form 8949 and Schedule D of Form 1040)
Employee Stock Purchase Plan		
Qualifying Disposition (423 Plan)	Purchase Price: (Number of shares sold x Purchase Price) + Fees to Acquire Shares	Lesser of: 1. The Grant Date FMV multiplied by Discount Percent, multiplied by the number of shares sold; or 2. The sales price per share minus the Purchase price paid per share, multiplied by the number of shares (or total gain).*
Disqualifying Disposition (423 Plan) or sale of shares acquired under a non-423 Plan	Purchase Price: (Number of shares sold x Purchase Price) + Fees to Acquire Shares	The spread between the purchase price and the FMV of the stock on the purchase date multiplied by the number of shares sold.*
Incentive Stock Options		
Qualifying Disposition	Grant Price: (Number of shares sold x Grant Price) + Fees to Acquire Shares	Not Applicable
Disqualifying Disposition Cashless Exercise or Same day Sale Sell to Cover (STC)	Grant Price: (Number of shares sold x Grant Price) + Fees to Acquire Shares	Lesser of: 1. The spread between the grant price and the FMV on exercise date multiplied by the number of shares sold; or 2. The actual gain (amount realized on the sale less the aggregate grant price).*
Nonqualified Stock Options		
Cashless Exercise or Same day Sale Sell to Cover (STC) Sell long shares post-exercise	Grant Price: (Number of shares sold x Grant Price) + Fees to Acquire Shares	Calculate the difference between the FMV at exercise and the Grant Price multiplied by the number of shares sold.*

* Refer to the Stock Plan Transactions Supplement on etrade.com.

Wash Sales

Wash sales need to be reported on IRS Form 8949. A wash sale occurs when shares or securities are sold at a loss and “substantially identical” shares or securities are purchased within 30 days before or after the sale. The loss is disallowed and must be added to the cost basis of the newly purchased shares or securities.



As a broker-dealer, Morgan Stanley at Work is required to report wash sales to the IRS that occur when covered shares are sold at a loss and substantially identical covered shares are repurchased in the same account within 30 days before or after the sale. In the event of a reportable wash sale, we will report the loss as a disallowed loss on Form 1099-B and adjust the basis and holding period of the replacement shares.

As a convenience to our stock plan participants, Morgan Stanley at Work also displays disallowed loss information on Form 1099-B for wash sales that occur for noncovered shares. While these wash sales are not reportable to the IRS by Morgan Stanley at Work, participants may still be obligated to report these wash sales on their own tax return.

If Morgan Stanley at Work determines that a wash sale has occurred in an account for either covered or noncovered securities, the loss on the initial sale will be displayed as the “WASH SALE LOSS DISALLOWED” in Box 1g, as shown in the example below.

1099-B PROCEEDS FROM BROKER AND BARTER EXCHANGE TRANSACTIONS **OMB NO. 1545-0715**

Gross Proceeds less commissions and option premiums on stocks, bonds, etc. Consider the Net Proceeds box checked in IRS box 6 (Reported to IRS) for all option transactions. Consider IRS box 7(Loss is not allowed based on amount in 1d) as not being checked for any transactions.

Short Term - Noncovered Securities # (Consider Box 5 (Noncovered Security) as being checked and Box 12 (Basis Reported to IRS) as not being checked for this section. These transactions should be reported on Form 8949 Part I with box B checked.)

DESCRIPTION (Box 1a)	QUANTITY	DATE ACQUIRED (Box 1b)	DATE SOLD (Box 1c)	PROCEEDS (Box 1d)	COST OR OTHER BASIS (Box 1e)	ACCRUED MARKET DISCOUNT (Box 1f)	WASH SALE LOSS DISALLOWED (Box 1g)	GAIN/(LOSS) AMOUNT	FEDERAL INCOME TAX WITHHELD (Box 4)
Demo Inc CL A			**CUSIP:** 46120E60		**Symbol:** DEMO				
	4.000	02/10/25	02/20/25	$1,513.79	$1,552.88	0.00	$39.09	($39.09)	$0.00
	2.000	02/29/25	04/29/25	$745.82	$773.18	0.00	$0.00	($27.36)	$0.00
Security Subtotal	**6.000**			**$2,259.61**	**$2,326.06**	**$0.00**	**$39.09**	**($66.45)**	**$0.00**
Total Short Term Noncovered Securities				**$2,259.61**	**$2,326.06**	**$0.00**	**$39.09**	**($66.45)**	**$0.00**

Information about wash sale adjustments can also be found on the Morgan Stanley at Work Gains and Losses page or on the Stock Plan Transactions Supplement, which can be downloaded from the Documents page on etrade.com.

Reportable Wash Sale Examples

Buy, Sell, Buy Example:

A participant purchases 100 shares of ABC for $2,000 on October 3, 2023. On April 15, 2025, the participant sells those shares for $1,600 at a $400 loss. On May 5, 2025, the participant purchases 100 shares of ABC for $1,500 in the same account. The repurchase on May 5, 2025, causes the sale on April 15, 2025, to be treated as a wash sale. In addition to reporting the sales proceeds, cost basis, and holding period for the 100 shares sold on April 15, 2025, $400 is reported on Form 1099-B as a disallowed loss. The cost basis of the replacement ABC shares is increased by the amount of the disallowed loss from $1,500 to $1,900, and the holding period should be adjusted to reflect the adjusted acquisition date from May 5, 2025, to October 23, 2023.

Buy, Buy, Sell Example:

A participant purchases 100 shares of ABC for $2,000 on October 3, 2023. On April 15, 2025, the participant purchases 100 more shares for $1,500 in the same account. Then on May 5, 2025, the participant sells the shares acquired on October 3, 2023, for $1,600 at a $400 loss. The 100 shares purchased on April 15, 2025, are considered replacement shares and cause the sale on May 5, 2025, to be treated as a wash sale. In addition to reporting the sales proceeds, cost basis and holding period for the 100 shares sold on May 5, $400 is reported on Form 1099-B as a disallowed loss. The cost basis of the replacement ABC shares is increased by the amount of the disallowed loss from $1,500 to $1,900 and the holding period should be adjusted to reflected the adjusted acquisition date from April 15, 2025, to September 13, 2023.

Morgan Stanley at Work will only report wash sales for transactions occurring within the same Morgan Stanley at Work account. Participants may be required to report additional wash sales on their own tax return, including wash sales triggered by activity in other accounts at Morgan Stanley at Work or at other brokerage firms, or by activity across a combination of covered and noncovered securities. Morgan Stanley at Work does not provide tax advice, and participants should consult their own tax advisors regarding their own wash sale reporting obligations.

Please note, you may be required to report wash sales that are not reported on Form 1099-B when filing your own tax return. Please consult your tax advisor.

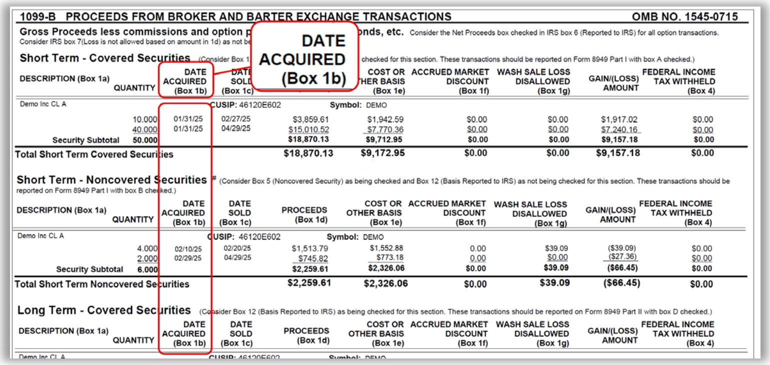
Assemble Your Transaction Details

You will likely need the following information for each group of stock plan shares that you sold during the year. If you made a single sale that included shares from different purchases, exercises, or releases, you would need this information for each group of shares. The steps below will help assist you with this process. **Please note that not all the items below may apply to you.**

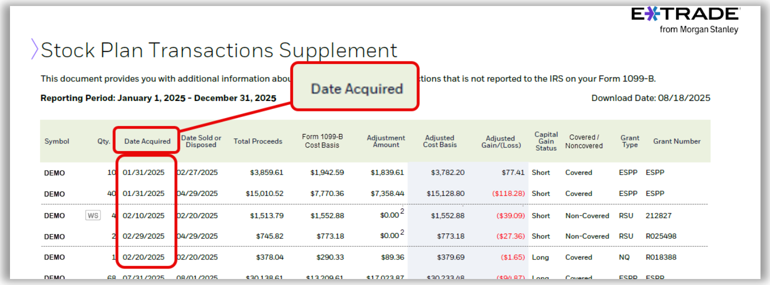
Step 1: Acquisition Date

This is the exercise date, purchase date, or release date for the shares. The acquisition date is displayed as Date Acquired on Box 1b of Form 1099-B. This information is also included in the Stock Plan Transactions Supplement under the "Date Acquired" column. Tax software may ask for "Date option exercised" or "Date of acquisition."

Where to find it: On your Form 1099-B



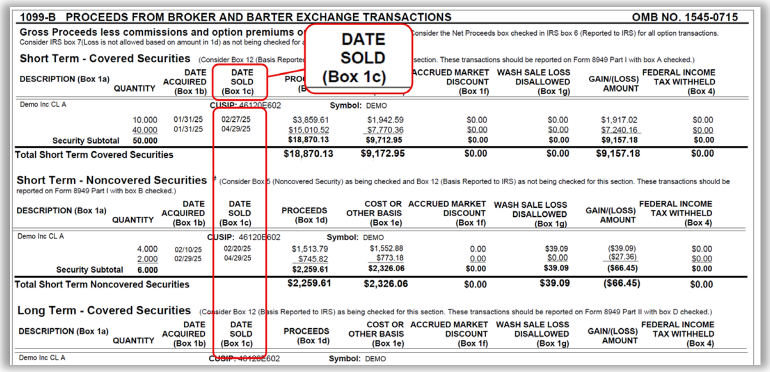
Where to find it: On your Stock Plan Transactions Supplement



Step 2: Sale Date

This is the date you sold the shares. You should have received a trade confirmation for this transaction. Sale date is displayed as "Date Sold or Disposed" on Box 1c of Form 1099-B. The information is also included in the Stock Plan Transactions Supplement under the "Date Sold or Disposed" column.

Where to find it: On your Form 1099-B



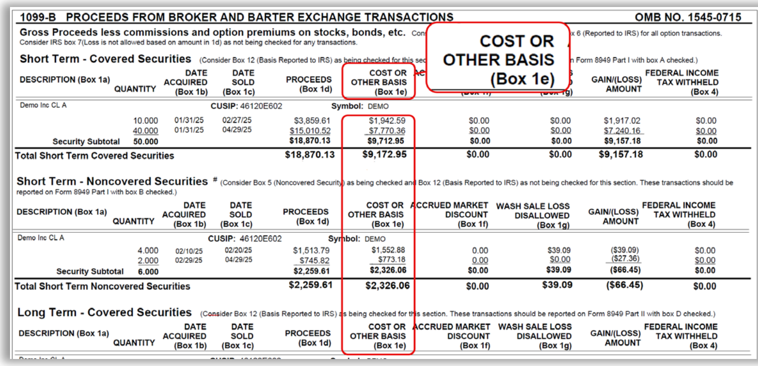
Where to find it: On your Stock Plan Transactions Supplement

Assemble Your Transaction Details

Step 3: Cost Basis

This is the price you paid to acquire the shares, after adjustments for commissions and fees, wash sales, dividend reclassifications, and corporate actions. For noncovered securities, this may* also include the ordinary income that your employer reported to the IRS as a result of acquiring or selling the shares. Your cost basis is displayed on Box 1e of Form 1099-B and in the Stock Plan Transactions Supplement under the “Form 1099-B Cost Basis” column.

Where to find it: On your Form 1099-B


1099-B PROCEEDS FROM BROKER AND BARTER EXCHANGE TRANSACTIONS OMB NO. 1545-0715

Gross Proceeds less commissions and option premiums on stocks, bonds, etc. Con… x 6 (Reported to IRS) for all option transactions. Consider IRS box 7(Loss is not allowed based on amount in 1d) as not being checked for any transactions.

COST OR OTHER BASIS (Box 1e)

Short Term - Covered Securities (Consider Box 12 (Basis Reported to IRS) as being checked for this sec… n Form 8949 Part I with box A checked.)

DESCRIPTION (Box 1a)	QUANTITY	DATE ACQUIRED (Box 1b)	DATE SOLD (Box 1c)	PROCEEDS (Box 1d)	COST OR OTHER BASIS (Box 1e)			GAIN/(LOSS) AMOUNT	FEDERAL INCOME TAX WITHHELD (Box 4)
Demo Inc CL A CUSIP: 46120E602 Symbol: DEMO									
	10.000	01/31/25	02/27/25	$3,859.61	$1,942.59	$0.00	$0.00	$1,917.02	$0.00
	40.000	01/31/25	04/29/25	$15,010.52	$7,770.36	$0.00	$0.00	$7,240.16	$0.00
Security Subtotal	50.000			$18,870.13	$9,712.95	$0.00	$0.00	$9,157.18	$0.00
Total Short Term Covered Securities				**$18,870.13**	**$9,172.95**	**$0.00**	**$0.00**	**$9,157.18**	**$0.00**

Short Term - Noncovered Securities # (Consider Box 5 (Noncovered Security) as being checked and Box 12 (Basis Reported to IRS) as not being checked for this section. These transactions should be reported on Form 8949 Part I with box B checked.)

DESCRIPTION (Box 1a)	QUANTITY	DATE ACQUIRED (Box 1b)	DATE SOLD (Box 1c)	PROCEEDS (Box 1d)	COST OR OTHER BASIS (Box 1e)	ACCRUED MARKET DISCOUNT (Box 1f)	WASH SALE LOSS DISALLOWED (Box 1g)	GAIN/(LOSS) AMOUNT	FEDERAL INCOME TAX WITHHELD (Box 4)
Demo Inc CL A CUSIP: 46120E602 Symbol: DEMO									
	4.000	02/10/25	02/20/25	$1,513.79	$1,552.88	0.00	$39.09	($39.09)	$0.00
	2.000	02/29/25	04/29/25	$745.82	$773.18	0.00	$0.00	($27.36)	$0.00
Security Subtotal	6.000			$2,259.61	$2,326.06	$0.00	$39.09	($66.45)	$0.00
Total Short Term Noncovered Securities				**$2,259.61**	**$2,326.06**	**$0.00**	**$39.09**	**($66.45)**	**$0.00**

Long Term - Covered Securities (Consider Box 12 (Basis Reported to IRS) as being checked for this section. These transactions should be reported on Form 8949 Part II with box D checked.)

DESCRIPTION (Box 1a)	QUANTITY	DATE ACQUIRED (Box 1b)	DATE SOLD (Box 1c)	PROCEEDS (Box 1d)	COST OR OTHER BASIS (Box 1e)	ACCRUED MARKET DISCOUNT (Box 1f)	WASH SALE LOSS DISALLOWED (Box 1g)	GAIN/(LOSS) AMOUNT	FEDERAL INCOME TAX WITHHELD (Box 4)

Step 4: Adjustment to cost basis

For covered securities, the cost basis reported on Form 1099-B will not include any adjustments for ordinary income, so you may need to identify how much of the ordinary (compensation) income reported on your Form(s) W-2 is attributable to the stock you sold in order to adjust your cost basis for those shares.

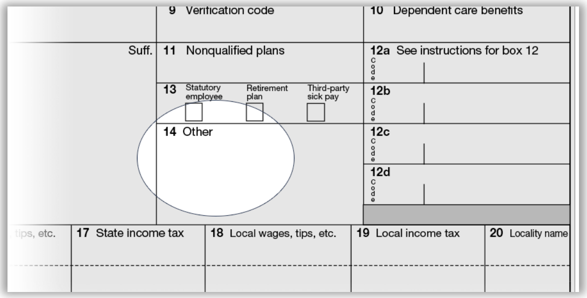
On the Form W-2 or 1099-NEC, the compensation income for the shares sold is combined with your wages and other compensation in the year of purchase and/or sale.

Because it may be difficult to determine how much of the income in Box 1 of Form W-2 is attributable to the stock you sold, your employer may have given you a separate statement detailing this information or may have listed this income separately for you in Box 14.

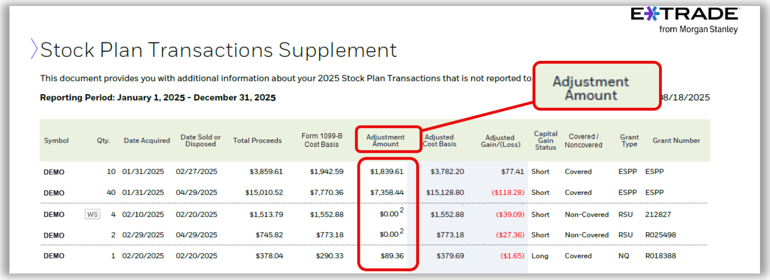
You can also find the amount of ordinary income that your employer reported to us as resulting from the acquisition and/or sale of your covered securities on the Stock Plan Transactions Supplement under "Adjustment Amount."

If you engaged in more than one transaction during the year, you would need to know this amount for each separate transaction. Tax software may ask for “Compensation income” or “Ordinary income.”

Where to find it: On your Form W-2 from your employer (Box 14, if included)



Where to find it: On your Stock Plan Transactions Supplement (for E*TRADE)


E*TRADE from Morgan Stanley

Stock Plan Transactions Supplement

This document provides you with additional information about your 2025 Stock Plan Transactions that is not reported to

Reporting Period: January 1, 2025 - December 31, 2025 …8/18/2025

Adjustment Amount

Symbol		Qty.	Date Acquired	Date Sold or Disposed	Total Proceeds	Form 1099-B Cost Basis	Adjustment Amount	Adjusted Cost Basis	Adjusted Gain/(Loss)	Capital Gain Status	Covered / Noncovered	Grant Type	Grant Number
DEMO		10	01/31/2025	02/27/2025	$3,859.61	$1,942.59	$1,839.61	$3,782.20	$77.41	Short	Covered	ESPP	ESPP
DEMO		40	01/31/2025	04/29/2025	$15,010.52	$7,770.36	$7,358.44	$15,128.80	($118.28)	Short	Covered	ESPP	ESPP
DEMO	WS	4	02/10/2025	02/20/2025	$1,513.79	$1,552.88	$0.00 [2]	$1,552.88	($39.09)	Short	Non-Covered	RSU	212827
DEMO		2	02/29/2025	04/29/2025	$745.82	$773.18	$0.00 [2]	$773.18	($27.36)	Short	Non-Covered	RSU	R025498
DEMO		1	02/20/2025	02/20/2025	$378.04	$290.33	$89.36	$379.69	($1.65)	Long	Covered	NQ	R018388

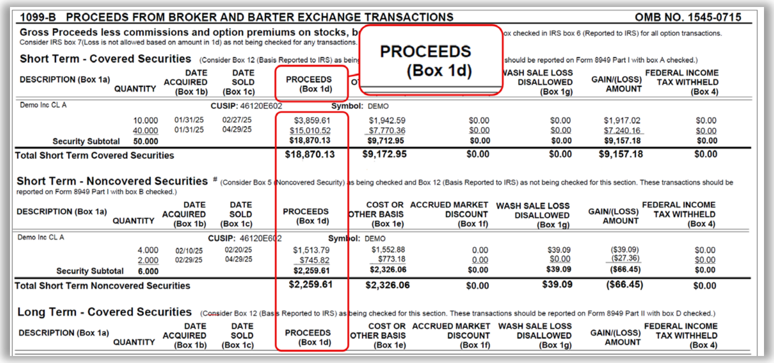
* It is your responsibility to validate these amounts against the Form W-2 or other documents provided by your employer, as well as information from other broker-dealers, before you determine how to include them in your tax return filing.

Assemble Your Transaction Details

Step 5: Sale proceeds

Your sale proceeds are the amount received from the sale of shares, less any applicable fees, commissions, or taxes. This amount is displayed in Box 1d of Form 1099-B and is also included in the Stock Plan Transactions Supplement under “Total Proceeds.” Tax software may ask for “Gross proceeds from the sale.”

Where to find it: On your Form 1099-B



1099-B PROCEEDS FROM BROKER AND BARTER EXCHANGE TRANSACTIONS — OMB NO. 1545-0715

Gross Proceeds less commissions and option premiums on stocks, b … ox checked in IRS box 6 (Reported to IRS) for all option transactions.
Consider IRS box 7(Loss is not allowed based on amount in 1d) as not being checked for any transactions.

Short Term - Covered Securities (Consider Box 12 (Basis Reported to IRS) as bein … should be reported on Form 8949 Part I with box A checked.)

DESCRIPTION (Box 1a)	QUANTITY	DATE ACQUIRED (Box 1b)	DATE SOLD (Box 1c)	PROCEEDS (Box 1d)	O		WASH SALE LOSS DISALLOWED (Box 1g)	GAIN/(LOSS) AMOUNT	FEDERAL INCOME TAX WITHHELD (Box 4)
Demo Inc CL A CUSIP: 46120E602 Symbol: DEMO									
	10.000	01/31/25	02/27/25	$3,859.61	$1,942.59	$0.00	$0.00	$1,917.02	$0.00
	40.000	01/31/25	04/29/25	$15,010.52	$7,770.36	$0.00	$0.00	$7,240.16	$0.00
Security Subtotal	50.000			$18,870.13	$9,712.95	$0.00	$0.00	$9,157.18	$0.00
Total Short Term Covered Securities				$18,870.13	$9,172.95	$0.00	$0.00	$9,157.18	$0.00

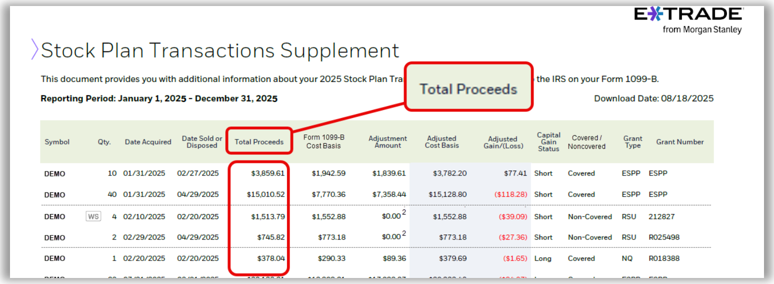
Short Term - Noncovered Securities # (Consider Box 5 (Noncovered Security) as being checked and Box 12 (Basis Reported to IRS) as not being checked for this section. These transactions should be reported on Form 8949 Part I with box B checked.)

DESCRIPTION (Box 1a)	QUANTITY	DATE ACQUIRED (Box 1b)	DATE SOLD (Box 1c)	PROCEEDS (Box 1d)	COST OR OTHER BASIS (Box 1e)	ACCRUED MARKET DISCOUNT (Box 1f)	WASH SALE LOSS DISALLOWED (Box 1g)	GAIN/(LOSS) AMOUNT	FEDERAL INCOME TAX WITHHELD (Box 4)
Demo Inc CL A CUSIP: 46120E602 Symbol: DEMO									
	4.000	02/10/25	02/20/25	$1,513.79	$1,552.88	0.00	$39.09	($39.09)	$0.00
	2.000	02/29/25	04/29/25	$745.82	$773.18	0.00	$0.00	($27.36)	$0.00
Security Subtotal	6.000			$2,259.61	$2,326.06	$0.00	$39.09	($66.45)	$0.00
Total Short Term Noncovered Securities				$2,259.61	$2,326.06	$0.00	$39.09	($66.45)	$0.00

Long Term - Covered Securities (Consider Box 12 (Basis Reported to IRS) as being checked for this section. These transactions should be reported on Form 8949 Part II with box D checked.)

DESCRIPTION (Box 1a)	QUANTITY	DATE ACQUIRED (Box 1b)	DATE SOLD (Box 1c)	PROCEEDS (Box 1d)	COST OR OTHER BASIS (Box 1e)	ACCRUED MARKET DISCOUNT (Box 1f)	WASH SALE LOSS DISALLOWED (Box 1g)	GAIN/(LOSS) AMOUNT	FEDERAL INCOME TAX WITHHELD (Box 4)

Where to find it: On your Stock Plan Transactions Supplement



E*TRADE from Morgan Stanley

Stock Plan Transactions Supplement

This document provides you with additional information about your 2025 Stock Plan Tra … the IRS on your Form 1099-B.

Reporting Period: January 1, 2025 - December 31, 2025 Download Date: 08/18/2025

Symbol		Qty.	Date Acquired	Date Sold or Disposed	Total Proceeds	Form 1099-B Cost Basis	Adjustment Amount	Adjusted Cost Basis	Adjusted Gain/(Loss)	Capital Gain Status	Covered / Noncovered	Grant Type	Grant Number
DEMO		10	01/31/2025	02/27/2025	$3,859.61	$1,942.59	$1,839.61	$3,782.20	$77.41	Short	Covered	ESPP	ESPP
DEMO		40	01/31/2025	04/29/2025	$15,010.52	$7,770.36	$7,358.44	$15,128.80	($118.28)	Short	Covered	ESPP	ESPP
DEMO	WS	4	02/10/2025	02/20/2025	$1,513.79	$1,552.88	$0.00 [2]	$1,552.88	($39.09)	Short	Non-Covered	RSU	212827
DEMO		2	02/29/2025	04/29/2025	$745.82	$773.18	$0.00 [2]	$773.18	($27.36)	Short	Non-Covered	RSU	R025498
DEMO		1	02/20/2025	02/20/2025	$378.04	$290.33	$89.36	$379.69	($1.65)	Long	Covered	NQ	R018388

When I sold my stock, the sale price was below the FMV of the stock on the purchase date. Why did my employer report ordinary (compensation) income based on the FMV?

When you engage in a disqualifying disposition of shares from a plan that is qualified under Section 423, your employer is required by tax law to report the difference between the fair market value of the stock on the purchase date and the amount you paid for the stock as ordinary (compensation) income. This is required even if the stock was sold for less than the FMV on the purchase date. If the sale price is lower than the FMV, the difference may be reportable as a capital loss, subject to the wash sale and other rules.

The same is required for ESPP shares purchased from a plan that is not tax-qualified under Section 423. For these shares, your employer is also required to report the difference between the FMV of the stock on the purchase date and the amount you paid for the stock as ordinary income. This amount is reported on Form W-2 or 1099-NEC in the year of the purchase. If the sale price is lower than the FMV, the difference may be reportable as a capital loss, subject to the wash sale and other rules.

How could I have a long-term capital gain or loss on a sale that is a disqualifying disposition?

The holding periods to qualify for favorable tax treatment under Section 423 are different than the holding period for long-term capital gains purposes. It is possible to meet the long-term capital gains holding period but still not have met the holding period for the disposition to qualify for favorable tax treatment.

To qualify for favorable tax treatment under Section 423, you must hold the stock for more than two years from the grant date and more than one year from the date of purchase.

However, for the gain or loss on your sale to be taxed as long term, you only need to hold the stock for more than one year after purchase. For example, an individual enrolls in his employer's qualified employee stock purchase plan on January 1, 2025, and purchases stock under the plan on June 30, 2025. For the sale to be a qualifying disposition, they must hold the stock until January 2, 2027 (more than two years after grant date). But for the gain or loss on the sale to be considered long term, they only need to hold the stock until July 1, 2026 (more than one year after the purchase date). If they sell stock at any time between July 1, 2026, and January 1, 2027, the sale will be considered a disqualifying disposition, but any capital gain or loss reported on the sale will generally be considered long term.

Does the cost basis that appears on the Form 1099-B for my ESPP shares reflect all necessary adjustments?

No, the cost basis that appears on Form 1099-B for your ESPP shares does not reflect any adjustments that may apply because you recognized ordinary (compensation) income when you acquired or sold the shares. As a result, you may want to consider whether an adjustment to the cost basis is applicable when you complete your tax return(s). For additional information on your cost basis and possible cost basis adjustments, refer to the Stock Plan Transactions Supplement available through E*TRADE from Morgan Stanley. This can be found at etrade.com/tax or the Documents page on etrade.com. Please also consult your tax advisor to determine how to prepare and file your tax return.

What happens if I don’t sell the stock on the same day I exercise it?

For ISOs, ordinary income is not recognized until you sell the resulting shares. If you decide to hold the shares, this typically allows you to defer any ordinary income recognition until the sale date. Furthermore, if your sale is a qualifying disposition there will typically be no ordinary income recognized.

If the shares are held for more than one year from the exercise date and more than two years from the grant date, any gain will typically be taxed as long-term capital gains. If you sell shares from your ISO exercise within one year of the exercise date, any gains or losses from the sale will be considered short-term, and gains will be taxed at ordinary income tax rates (as the sale of shares was a disqualifying disposition due to not meeting the ISO holding requirements).

The following example shows the implications of exercising incentive stock options and holding the resulting shares beyond the exercise date:

EXAMPLE: An employee exercises 1,000 shares of an incentive stock option on July 15. His option price was $10 per share (his total exercise price was $10,000). The fair market value of the stock on the exercise date was $15 per share. Because this was an ISO exercise, he did not recognize any ordinary income at the time of the exercise.

Later, he sells the stock when the fair market value of the stock is $20 per share (his total sale price was $20,000). He paid fees and commission of $100 for the sale.

If the sale occurs within one year of the exercise date, the sale will be considered a disqualifying disposition, and his capital gain will be considered short-term. In a disqualifying disposition, he would recognize $5,000 in ordinary income ($15 FMV on date of exercise – $10 exercise price = $5 x 1,000 shares = $5,000). He would have recognized a short-term capital gain of $4,900: sales price of $19,900 ($20,000 - $100) less the exercise price of $10,000 ($100 x 1,000 shares) less the ordinary income amount of $5,000.

If the sale occurs more than two years after the grant date and more than one year after the exercise date, the sale will be a qualifying disposition, and his capital gain will be considered long-term. Because the sale is considered a qualifying disposition, he would not recognize any ordinary income. He would recognize long-term capital gains of $9,900: Sales price of $19,900 ($20,000 - $100) less his exercise price of $10,000 ($100 x 1,000 shares).

Does the cost basis that appears on the Form 1099-B for my ISO shares reflect all necessary adjustments?

No, the cost basis that appears on Form 1099-B for shares acquired through an ISO exercise does not reflect any ordinary income adjustments that may apply if you recognized ordinary (compensation) income when you sold the shares. As a result, you may want to consider whether an adjustment to the cost basis is applicable when you complete your tax return(s). For additional information on your cost basis and possible cost basis adjustments, refer to the Stock Plan Transactions Supplement available through E*TRADE from Morgan Stanley. This can be found at etrade.com/tax or the Documents page on etrade.com. Please also consult your tax advisor to determine how to prepare and file your tax return.

The income that my employer reported on Form W-2 does not equal the difference between my total exercise price and sales price. Did my employer report the wrong amount of income for my exercise on my Form W-2?

Typically, the amount of income reported on your Form W-2 is the difference between your exercise price and the value of the stock on the date of exercise. If you sold your stock on a date after the date of exercise, the Form W-2 income will not include any gain or loss from the date of exercise through the date of sale. Even if you sell your stock on the date of exercise, the price used for your Form W-2 income may be different than the price at which the stock is sold. When determining the value of the stock for Form W-2 income purposes, some employers use the closing or average price on the day the exercise occurred. Other employers use the closing price of the preceding day, while others may use the actual sales price. These could be the reason for any difference. For further information, contact your employer.

The Form 1099-B that I received from E*TRADE from Morgan Stanley does not reflect federal withholding for the purchase of my option shares. Is this an error?

No, the withholding for the transaction should be included on the Form W-2 you received from your employer.

What happens if I don't sell the stock on the same day I exercise it?

Typically, for non-qualified stock options ordinary income is recognized at the time of exercise, and a capital gain or loss is recognized at the time of sale. If you sell your exercised shares within one year of exercise, your capital gain or loss is considered short term. However, if you hold the exercised shares for more than a year before selling them, the capital gain or loss is considered long term, and long-term capital gains may be taxed at a lower rate.

The following example shows the potential implications of exercising non-qualified stock options and holding the resulting shares beyond the exercise date:

EXAMPLE: An employee exercises 1,000 non-qualified stock options on July 15. His option price was $10 per share (his total option price was $10,000). The fair market value of the stock on the exercise date was $15 per share. In the year he exercises the stock options, his Form W-2 would report $5,000 of ordinary income ($15 – $10 = $5 x 1,000 shares = $5,000).

Does the cost basis that appears on the Form 1099-B for my NQ shares reflect all necessary adjustments?

No, the cost basis that appears on Form 1099-B for shares acquired through an NQ exercise does not reflect any ordinary income adjustments that may apply because you recognized ordinary (compensation) income when you acquired the shares. As a result, you may want to consider whether an adjustment to the cost basis is applicable when you complete your tax return(s). For additional information on your cost basis and possible cost basis adjustments, refer to the Stock Plan Transactions Supplement available through E*TRADE from Morgan Stanley. This can be found at etrade.com/tax or on the Documents page on etrade.com. Please also consult your tax advisor to determine how to prepare and file your tax return.

What is a restricted stock award (RSA)?

A restricted stock award is stock that is issued to employees (and directors or other independent contractors) but is subject to certain temporary restrictions. The most common of these is that the stock must be returned to the employer (i.e., forfeited) if employment is terminated prior to a specified date. Further, the stock may not be sold, pledged, transferred or assigned during the period of the restriction.

What is a performance stock award (PSA)?

A performance stock award is a type of restricted stock award in which rights to the shares are contingent upon the achievement of certain pre-established performance goals. If the performance goals are met, the employee (or service provider) has a right to receive stock associated with the award.

When is ordinary income (reported on Form W-2 or 1099-NEC) for the stock award recognized?

Generally, an RSA or PSA is taxable as ordinary income at the time that the award vests. The amount of income will typically be the difference between the fair market value (FMV) of the stock at the time of vesting over the amount paid for the stock (i.e., the award price), if any. The ordinary income recognition may be accelerated to the grant date with a timely Section 83(b) election for RSA or PSA, if your employer allows. Consult your tax advisor.

EXAMPLE: Jane Doe is awarded 1,000 shares of restricted stock on December 5, 2023. She does not file a Section 83(b) election. The stock vests in three years on December 5, 2026, when it is trading at $30 per share. She will recognize $30,000 in ordinary income in 2026.

How will my employer report ordinary income from the RSA or PSA?

Your employer should report the ordinary income on your Form W-2, Wage and Tax Statement. It should be included in Box 1 as part of your total wages and compensation, Box 3 (Social Security wages) as applicable, and Box 5 (Medicare wages). Also, your employer may include it in Box 14. In the case of non-employees, the income will be reported on Form 1099- NEC in Box 1.

How is dividend income paid on unvested awards reported?

Dividends on unvested RSAs and PSAs are treated as compensation income and will be reported by your company on Form W-2, not by Morgan Stanley on Form 1099-DIV.

Does the cost basis that appears on the Form 1099-B for my RSA or PSA shares reflect all necessary adjustments?

New for tax year 2025: If your RSA and PSA shares had an award price of $0, the cost basis that appears on Form 1099-B reflects the amount you paid to acquire the shares ($0) plus any ordinary income associated with the shares, as provided to us by your employer. It is your responsibility to validate these amounts against the Form W-2 or other documents provided by your employer, as well as information from other broker-dealers, before you determine how to include them in your tax return filing.

If your RSA or PSA shares had an award price greater than $0, the shares are considered covered securities, and the cost basis that appears on Form 1099-B does not reflect any ordinary income adjustments that may apply because you recognized ordinary (compensation) income when you acquired the shares. As a result, you may need to determine whether an adjustment to the cost basis is applicable when you complete your tax return(s). For additional information on your cost basis and possible cost basis adjustments, refer to the Stock Plan Transactions Supplement available through E*TRADE from Morgan Stanley. This can be found at etrade.com/tax or on the Documents page on etrade.com. Please also consult your tax advisor to determine how to prepare and file your tax return.

If I sell my restricted stock or performance stock immediately once its restrictions lapse, do I need to report the sale on my tax return?

Yes. Even though the income recognized from the restricted stock or performance stock will be included on Form W-2, the sale of the stock is a separate transaction for tax purposes. In most cases, the sale would need to be reported on Form 1040, Schedule D and Form 8949.

In determining whether the sale of the restricted stock or performance stock generated a short- or long-term capital gain or loss, when does the holding period begin: when the stock was issued to me or when it vested?

In most cases, the holding period for RSAs or PSAs begins when the restrictions lapse at vesting. Therefore, you would need to hold the shares for more than a year after vest for any gains to qualify for long-term capital gains treatment.

In the case of a Section 83(b) election for a restricted or performance stock award, the holding period begins on the date when the stock is awarded, rather than the date when it vests.

What are restricted stock units (RSUs)?

Restricted stock units are similar to restricted stock awards, but the stock is not issued until the units are converted into shares after vesting. Because the stock is not issued prior to vesting, recipients do not hold voting or dividend rights in the stock prior to vesting.

What are performance stock units (PSUs)?

Performance stock units are a type of restricted stock unit in which rights to the units are contingent upon the achievement of certain pre-established performance goals. If the performance goals are met, the employee (or service provider) has a right to receive units associated with the award.

When is ordinary income (reported on Form W-2 or 1099-NEC) for RSUs or PSUs recognized?

Generally, an RSU or PSU stock unit is taxable as ordinary income at the time that it vests. The amount of income will typically be the difference between the fair market value (FMV) of the stock at the time of vesting over the amount paid for the stock (i.e., the award price), if any.

EXAMPLE: Jane Doe is awarded 1,000 units of restricted stock on December 5, 2023. The units vest in three years on December 5, 2026, when it is trading at $30 per share. She will recognize $30,000 in ordinary income in 2026.

How will my employer report ordinary income from the RSU or PSU?

Your employer should report the ordinary income on your Form W-2, Wage and Tax Statement. It should be included in Box 1 as part of your total wages and compensation, Box 3 (Social Security wages) as applicable, and Box 5 (Medicare wages). Also, your employer may include it in Box 14. In the case of non-employees, the income will be reported on Form 1099- NEC in Box 1.

How is dividend income paid on unvested RSUs or PSUs reported?

Dividend equivalents on unvested RSUs and PSUs, if your company provides them, are treated as compensation income and will be reported by your company on Form W-2, not by Morgan Stanley on Form 1099-DIV.

Does the cost basis that appears on the Form 1099-B for my RSUs or PSUs reflect all necessary adjustments?

New for tax year 2025: If your RSUs and PSUs had an award price of $0, the cost basis that appears on Form 1099-B reflects the amount you paid to acquire the shares ($0) plus any ordinary income associated with the shares, as provided to us by your employer. It is your responsibility to validate these amounts against the Form W-2 or other documents provided by your employer, as well as information from other broker-dealers, before you determine how to include them in your tax return filing.

If your RSUs or PSUs had an award price greater than $0, the shares are considered covered securities, and the cost basis that appears on Form 1099-B does not reflect any ordinary income adjustments that may apply because you recognized ordinary (compensation) income when you acquired the shares. As a result, you need to determine whether an adjustment to the cost basis is applicable when you complete your tax return(s). For additional information on your cost basis and possible cost basis adjustments, refer to the Stock Plan Transactions Supplement available through E*TRADE from Morgan Stanley. This can be found at etrade.com/tax or on the Documents page on etrade.com. Please also consult your tax advisor to determine how to prepare and file your tax return.

If I sell my RSUs or PSUs immediately once they vest, do I need to report the sale on my tax return?

Yes. Even though the income recognized from vesting will be included on Form W-2, the sale of the shares is a separate transaction for tax purposes. In most cases, the sale would need to be reported on Form 1040, Schedule D and Form 8949.

In determining whether the sale of the RSUs or PSUs generated a short- or long-term capital gain or loss, when does the holding period begin: when the stock was issued to me or when it vested?

The holding period begins when the stock is released to you (once units convert to shares), which may be after the vesting date.

Can you provide an example showing taxation for a SAR exercise and the subsequent sale of shares acquired through that exercise?

Jane Doe, is granted 3,000 SARs by her company on September 5, 2023, when the value of the company stock is $20/share. Jane exercises all 3,000 SARs when they vest two years later, on September 5, 2025. On that date, the company stock is valued at $30/share. The appreciation value for her SARs is therefore $10/SAR ($30 – $20 = $10), for a total of $30,000 ($10 x 3,000 SARs). Jane receives 1,000 shares of stock as a result of the exercise (appreciation value of $30,000/per-share market value of $30 = 1,000 shares). Jane immediately sells all shares from the exercise. She recognizes ordinary (Form W-2 or Form 1099-NEC) income equal to the appreciation value of $30,000 but recognizes no capital gain or loss from the sale, because the proceeds from the sale were equal to her cost basis (the ordinary income amount reported on Form W-2 or Form 1099-NEC).

Is the amount of taxable ordinary (Form W-2 or 1099-NEC) income based on the value of the stock on the grant date for my SARs or the exercise date?

You need to know both values to determine the amount of ordinary (compensation) income. In most cases, you will recognize as ordinary (compensation) income an amount that is equal to the difference between the value of the employer's stock on the date of exercise and the value on the date of grant. See example above.

Is the income I recognize from SAR considered a capital gain or ordinary income?

The full value (fair market value less price paid, if any) of the shares you receive from a SAR exercise is taxed as ordinary income in the year of the exercise. Any appreciation or depreciation in value of the stock from the exercise date through the sale date would be capital gain or capital loss, respectively.

What is my cost basis for SAR shares?

Although there is no acquisition cost for shares acquired through a SAR exercise, you may be able to report the full fair market value of the shares at the time of the exercise as the cost basis, provided this amount was recognized as ordinary (compensation) income.

New for tax year 2025: Beginning in 2025, although SAR shares remain noncovered securities, the cost basis shown on Form now includes the ordinary income recognized at exercise and may **also** include broker-applied adjustments such as commissions and fees, wash sales, dividend reclassifications, or corporate actions. Certain other adjustments may still need to be addressed on your tax return. It is your responsibility to validate these amounts against the Form W-2 or other documents provided by your employer, as well as information from other broker-dealers, before you determine how to include them in your tax return filing.

Because shares acquired through the exercise of a SAR are considered noncovered securities, cost basis is not reported to the IRS by E*TRADE from Morgan Stanley.

If I sell my SAR shares immediately upon exercise, do I need to report the sale on my tax return?

Yes, even though the income recognized from the SAR exercise will be included on Form W-2, the sale of the resulting shares is a separate transaction for tax purposes. Generally, the sale should be reported on your US Individual Income Tax Return (Form 1040), Schedule D and Form 8949 in the year of sale.

Is the income from a SAR exercise subject to payroll taxes?

Yes, ordinary income recognized from exercising the SAR is subject to income tax withholding and payroll taxes such as Social Security and Medicare.

How will the income from a SAR exercise be reported to me?

Your employer should report the ordinary income on your Form W-2, Wage and Tax Statement. In the case of non-employees, the income should be reported on Form 1099-NEC in Box 1.

In determining whether the sale of the stock generated a short- term or long-term capital gain or loss, when does the holding period begin: When the SAR was granted or when it was exercised?

The holding period for shares acquired through a SAR exercise begins on the exercise date. You would need to hold the shares for more than a year after your exercise date for any gains upon sale to qualify for long-term capital gains or loss treatment.

I also received cash-settled SARs. Why didn't I receive a Form 1099-B after I exercised those?

With cash settled SAR transactions, you receive the cash value of the stock. There is no sale of stock and therefore a Form 1099-B would not be generated. Instead, the cash value you receive would reflect on your Form W-2 or Form 1099-NEC, similar to a bonus payment.

Have Questions?

If you have questions on:

Form W-2:

Contact your company's payroll department.

IRS Tax Forms:

Visit your local IRS office, call 800-TAXFORM, or go to www.irs.gov

Morgan Stanley at Work Documents:

From the Complete View page, select At Work > Tax Center > Resources and support

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This information should not be construed as legal, accounting, or tax advice. You should review your personal circumstances with your legal, accounting, or tax advisor. E*TRADE from Morgan Stanley, its affiliates, and its employees do not provide legal, accounting or tax advice.

The information contained in this document applies only to persons who are subject to tax in the US and it applies only to your US federal income tax return. Purchases of stock under an employee stock plan and sales of that stock are reported differently in non-US tax jurisdictions and may be reported differently on your state income tax return. Tax laws are complex and subject to change. This information is based on current federal tax laws in effect at the time this was written.

The information contained in this document assumes that any fees or commissions associated with the sale are deducted from the sales proceeds reported on Form 1099-B. Morgan Stanley Smith Barney LLC ("MSSB") always deducts the fees and commissions from the sales proceeds reported on your Form 1099-B; consult a tax advisor if your broker did not.

The information contained in this document assumes that your employer has properly reported the income from your exercise and sale on your Form W-2. If your employer did not do this, or if you have any questions concerning the information on your Form W-2, you should consult your employer and/or tax advisor.

The information published herein is of a general nature and has been summarized for presentation to a large audience. It is not a complete discussion of all aspects of the laws, rules, regulations, standards, and principles that govern how employee stock option information is reported on tax documents provided to you and how it should be reported on your tax re- turn. The contents are neither designed nor intended to be relied upon, and should not be considered legal, accounting or tax advice. Your specific situation may involve circumstances that cause the laws, rules, regulations, standards, and principles described herein to apply differently. You should consult your own legal, accounting and tax advisors before deciding what, if any, course of action to take.

This is not an offer to sell or a solicitation of an offer to buy securities, products or services, by any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation.

Employee stock plan solutions are offered by E*TRADE Financial Corporate Services, Inc., Solium Capital LLC, Solium Plan Managers LLC and Morgan Stanley Smith Barney LLC ("MSSB"), which are part of Morgan Stanley at Work.

Morgan Stanley at Work services and stock plan accounts are provided by wholly owned subsidiaries of Morgan Stanley.

Morgan Stanley at Work stock plan accounts were previously referred to as Shareworks, StockPlan Connect or E*TRADE stock plan accounts, as applicable.

In connection with stock plan solutions offered by Morgan Stanley at Work, securities products and services are offered by MSSB, Member SIPC.

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