



## **PNC Incentive Savings Plan (ISP) 401(k) Frequently Asked Questions on Pass-Through Dividends for 2024**

**If you have a balance in the PNC Stock Fund as part of your ISP 401(k) account, you may elect to receive a cash payment of dividends (pass-through dividend) that would otherwise be reinvested in your account. No action is required unless you want to *change* your dividend election currently on file (see Q3 and Q4 below).**

### **Q1. What are pass-through dividends?**

Pass-through dividends are dividends paid directly to the ISP 401(k) participant (in cash) on the unitized value of their investment in the PNC Stock Fund, if and when dividends are declared by PNC's Board of Directors.

### **Q2. Are pass-through dividends taxable?**

Yes. Pass-through dividends are taxable for purposes of U.S. income tax. A Form 1099-R will be issued each January for pass-through dividends paid during the prior calendar year. Such dividends are NOT eligible for the special tax rate generally applicable to corporate dividends. The Federal 10% penalty tax for early distribution from a qualified retirement plan does not apply. Because state and local tax laws vary, you may wish to contact a tax advisor to determine the appropriate state and local tax treatment of these payments.

### **Q3. My quarterly PNC stock dividends are currently reinvested in my ISP 401(k) account. How do I make an election to receive pass-through dividends instead?**

During the annual pass-through dividend open enrollment period every December, follow these steps:

- Go to [Pathfinder](#) from the Quick Links section of PNC's intranet. In the **Retirement & Investments** section, select **ISP 401(k)**, then **More**, and then click **Make Dividend Choice**.
- Follow the prompts to make your election.

If you have been on leave longer than 90 days or are a former employee, log on to [www.yourpnc.com](http://www.yourpnc.com) during the pass-through open enrollment period that begins Thursday, Dec. 1, 2023, and ends Friday, Dec. 14, 2023. You will need your User ID and password.

- From the Your PNC home page, go to **Benefits** and select **Manage your Benefits and Retirement Plans**, then go to **Savings and Retirement** and select **Make Dividend Choice**.
- Make your dividend election, then review and confirm it. You will receive a confirmation statement sent to your home address upon completion of your election.

If you have questions, call the HR Service Center at 877-YOUR-PNC (968-7762), option 1, between 9 a.m. and 5 p.m. ET weekdays.

### **Q4. I currently receive pass-through dividends. How do I elect to have my quarterly PNC stock dividends reinvested in my ISP account instead?**

During the annual pass-through dividend open enrollment period every December, follow the steps in Q3 above to change your election.

### **Q5. If I elect to receive quarterly pass-through dividends, how can I estimate the amount I will receive?**

The unitized PNC Stock Fund holds both shares and cash. If PNC's Board of Directors declares a quarterly PNC common stock dividend, it will be paid only on the share portion of your account. The cash liquidity held in the fund will be approximately 2% of the total fund value; therefore, when the dividend is paid it will be based on the remaining 98% (approx.) held in shares.



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### **Q6. Are pass-through dividends guaranteed?**

No, dividends in general are not guaranteed. They are contingent upon 1) the declaration of a quarterly cash dividend by PNC's Board of Directors and 2) your affirmative election to receive pass-through dividends.

### **Q7. Can I elect to receive a portion of my dividends as cash and reinvest the balance into my ISP account?**

No. The total amount due to you for any quarterly dividend declared and paid will be either reinvested or paid directly to you in accordance with your election on file.

### **Q8. If I elect to receive pass-through dividends, will this affect the future value of my ISP 401(k) account?**

Yes. By electing to receive pass-through dividends, your ISP 401(k) account will not benefit from the reinvestment of those dividends as additional units of the PNC Stock Fund. The dividends you elect to receive as pass-through dividends will not be working for your benefit inside the plan.

### **Q9. When will pass-through dividends be paid to me?**

If a cash dividend is declared, your pass-through dividend will be paid quarterly, generally within 30 days of the date that dividends are paid to all other PNC common stock shareholders.

### **Q10. How will pass-through dividends be paid?**

You will receive your pass-through dividend payment in the same manner as you receive your pay. For most employees, this is via direct deposit. If you have been on leave longer than 90 days or are a former employee, you can now elect to have your payment deposited directly into your checking account on file, if desired. Otherwise, you will be paid via check.

To take advantage of the direct deposit option, you need to take the following action during the annual open enrollment election period Dec. 1-14, 2023:

- Log into [www.yourpnc.com](http://www.yourpnc.com) (Upoint) and go to **Home**.
- Select **Savings & Retirement**, then **401(k)**, then navigate to **Dividend Elections**, then **Dividend Payout Choice** and select **100% Paid to you in Cash**.
- Access the **Financial Institutions** page and add your Defined Contribution Direct Deposit information.

### **Q11. Can I change the way my pass-through dividends are paid?**

Yes. During the annual pass-through dividend open enrollment period every December, follow the steps in Q3 above to change your election.

### **Q12. Does PNC withhold taxes from pass-through dividends paid to me?**

No. Taxes are not withheld from pass-through dividends. See Q2 above.

### **Q13. How is my pass-through dividend election affected if I am no longer a PNC employee?**

The election to receive pass-through dividends is not affected by a change in your employment status with PNC. Payments will continue as long as you have a PNC Stock Fund balance or change your election during a future annual open enrollment period to reinvest your dividends.



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### **Q14. What happens to my pass-through dividends if I die?**

If you die, your pass-through dividend election is void and the dividends payable on the share component of PNC Stock Fund in your ISP 401(k) account will automatically be reinvested in the PNC Stock Fund. No cash dividend payments would be made to your estate or your named beneficiary(ies).

*This document describes some of the key features of The PNC Financial Services Group, Inc. Incentive Savings Plan (ISP) 401(k). For more detailed information, see the ISP 401(k) Summary Plan Description. If any information in this document conflicts with the official Plan Document, the Plan Document will control. The PNC Financial Services Group, Inc. reserves the right to amend, modify or terminate the ISP 401(k) at any time. In addition, the terms of these key features may be changed by The PNC Financial Services Group, Inc. as necessary to comply with future changes in applicable laws and regulations.*