

NORTHERN FUNDS

TAX  
GUIDE

2011

TRUST NORTHERN FOR WHAT REALLY MATTERS





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## WELCOME TO YOUR NORTHERN FUNDS TAX GUIDE FOR 2011

To help you prepare your tax returns, Northern Funds offers this 2011 Tax Guide. It includes explanations of tax forms that you may receive as a Northern Funds investor.

The 2011 Tax Guide is intended as a reference tool for year-end tax preparation. Please do not rely upon it as a source for tax advice. For specific tax questions, we encourage you to consult your tax advisor. Or you can contact the Internal Revenue Service (IRS) at 800-829-1040 or visit the IRS website at [irs.gov](http://irs.gov).

If you have questions about the tax forms provided by Northern Funds, please contact your Relationship Manager or call the Northern Funds Center at **800-595-9111**, weekdays from 7:00 a.m. to 7:00 p.m. Central Time.

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### New for the 2011 Tax Year

On December 22, 2010, the Regulated Investment Company Modernization Act of 2010 (the "Act") was enacted, which changed various technical rules governing the tax treatment of regulated investment companies. The changes are generally effective for taxable years beginning after the date of enactment. One of the more prominent changes addresses capital loss carryforwards. Under the Act, each fund will be permitted to carry forward capital losses incurred in taxable years beginning after the date of enactment for an unlimited period. However, any losses incurred during those future taxable years will be required to be utilized prior to the losses incurred in pre-enactment taxable years, which carry an expiration date. As a result of this ordering rule, pre-enactment capital loss carryforwards may be more likely to expire unused. Additionally, post-enactment capital loss carryforwards will retain their character as either short-term or long-term capital losses rather than being considered all short-term as permitted under previous regulation.

### A Look Ahead to the 2012 Tax Year

Federal regulations require mutual fund companies to report cost basis information for mutual fund shares purchased after January 1, 2012, in all non-retirement and non-money market accounts. There are several ways to calculate cost basis. You may select a particular method, or you may default into Northern Funds' preferred calculation method of Average Cost. Please keep in mind the method you choose may require Northern Funds to gather additional information from you, including the specific identification of shares sold on each transaction.

## 2011 NORTHERN FUNDS TAX MATERIALS\*

	WHAT IT REPORTS	WHO RECEIVES IT
YEAR-END ACCOUNT STATEMENT	All 2011 account activity	All shareholders
FORM 1042-S	Foreign person's U.S. source income subject to withholding	Nonresident alien individual, nonresident alien fiduciary, and foreign corporation with United States income, including income that is effectively connected with the conduct of a trade or business in the United States, required to file a United States income tax return.
FORM 1099-DIV	Taxable distributions	All shareholders in nonretirement accounts who received taxable distributions in 2011
FORM 1099-INT	Tax-exempt income dividends from nonretirement accounts	All shareholders who received tax-exempt dividend income from nonretirement accounts in 2011
FORM 1099-B/ VOLUNTARY AVERAGE COST BASIS REPORTING	Redemptions and exchanges from your taxable accounts and your average cost basis for the 2011 tax year on all shares redeemed	All shareholders in non-money market, nonretirement accounts who redeemed or exchanged shares in 2011
FORM 1099-R	Distributions from retirement plan accounts	IRA shareholders who received distributions in 2011
FORM 1099-Q	Distributions from education savings accounts (ESA)	ESA shareholders who received distributions in 2011
FORM 5498/ FORM 5498-ESA	Contributions to traditional or Roth IRAs, or Education Savings Accounts	IRA and Education Savings Account shareholders who made contributions for 2011
2011 NORTHERN FUNDS TAX GUIDE	Information about tax issues related to mutual funds	Available to all shareholders
2011 NORTHERN FUNDS TAX FACTS	Information for preparing your 2011 federal and state tax returns	Available to all shareholders

*\*All tax-related materials are mailed in January except Form 1042-S which will be mailed in March, and Forms 5498 and 5498-ESA which will be mailed in April. Shareholders in the Global Real Estate Index Fund and the Multi-Manager Global Real Estate Fund will not receive tax information for those Funds until February; as Real Estate Investment Trusts (REITs) often don't provide complete tax information until after year-end.*

## MUTUAL FUND DISTRIBUTIONS

You may receive two types of distributions from the mutual funds you owned in 2011: dividends and interest earned by the fund on its investments and gains realized by the fund from selling investments at a profit. Mutual funds generally distribute all of their taxable income and capital gains.

Fund investors must report these distributions on their federal income tax returns, regardless of whether the distributions were paid out in cash or reinvested in shares of the fund. There are four types of income you can receive from distributions:

- Ordinary income distributions
- Qualified dividend income distributions
- Long-term capital gain distributions
- Tax-exempt dividends

### Ordinary Income Distributions

A mutual fund earns dividends, interest and other investment income on the securities in which it invests. After a fund deducts its expenses from investment income, it distributes the remainder to investors as a dividend. Ordinary income distributions include any short-term capital gains realized and distributed by the fund. Short-term capital gains are gains on securities the fund held for one year or less.

### Qualified Dividend Income Distributions

Qualified dividends are primarily dividends paid on stock investments, and are taxed at long-term capital gain rates.

### Long-Term Capital Gain Distributions

When a mutual fund realizes a profit from selling investments that have been held more than one year, it is allowed to pass the profit on to its investors. Currently long-term capital gains are generally taxed at rates no higher than 15%.

### Tax-Exempt Dividends

Interest from state and local municipal bonds is exempt from federal taxes and also is generally exempt from state taxes in the state in which the bond was issued. Mutual funds that invest in these securities generally distribute tax-exempt dividends to their investors. Some income from tax-exempt municipal bonds may be subject to the Alternative Minimum Tax.

### 2011 Tax Rates

Realized capital gains from investments are taxed according to a rate schedule ranging from a minimum of 0% to a maximum of 35%. The lower rates generally apply to investments that have been held longer.

Short-term capital gains, which are realized from the sale of investments held one year or less, are taxed at your ordinary income tax rate. These rates are indicated in the table below.

#### 2011 Tax Rate Schedules

	INDIVIDUAL	MARRIED FILING JOINTLY	MARRIED FILING SEPARATELY	HEAD OF HOUSEHOLD
10%	\$0 - 8,500	\$0 - 17,000	\$0 - 8,500	\$0 - 12,150
15%	\$8,500 - 34,500	\$17,000 - 69,000	\$8,500 - 34,500	\$12,150 - 46,250
25%	\$34,500 - 83,600	\$69,000 - 139,350	\$34,500 - 69,675	\$46,250 - 119,400
28%	\$83,600 - 174,400	\$139,350 - 212,300	\$69,675 - 106,150	\$119,400 - 193,350
33%	\$174,400 - 379,150	\$212,300 - 379,150	\$106,150 - 189,575	\$193,350 - 379,150
35%	More Than \$379,150	More Than \$379,150	More Than \$189,575	More Than \$379,150

*Note: The dollar ranges above represent taxable income. This table is for illustrative purposes only. While your income may place you within a particular tax bracket, a portion of your regular income may be taxed at a lower rate.*

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## FORMS & STATEMENTS

Mutual fund transactions are reported on five types of 1099 Forms, two types of 5498 Forms, and a 1042-S Form, which are described in this section. You'll receive one or more of these forms, depending on the types of funds and accounts you owned in 2011. (If you have not received the forms or statements you need from Northern Funds, please call the Northern Funds Center at **800-595-9111**.) We also are required to report this information to the IRS.

You'll need 1099 Forms to prepare your federal and state income tax returns. We encourage you to keep them in a safe place, with your year-end account statement and your federal and state tax documents.

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### FORM 1099-DIV

You will receive this form if you received taxable ordinary income dividends and/or capital gain distributions from nonretirement accounts during the year. Distributions are taxable whether you receive them in cash or have them reinvested in additional shares.

### FORM 1099-INT

You will receive this form if you received tax-exempt income dividends from nonretirement accounts during the year.

### FORM 1099-B

You will receive this form if you exchanged or redeemed shares from non-money market, nonretirement accounts during 2011. You'll need this information to complete Schedule D of your federal tax return.

### FORM 1099-R

You will receive this form if you received a distribution from a retirement account during the year.

### FORM 1099-Q

You will receive this form if you received a distribution from an Education Savings Account (ESA) during the year.

### FORM 5498 (IRA and ESA)

You will receive this form if you made contributions (or rollover contributions) to your Northern Funds retirement accounts or Education Savings Accounts during the year. Transfers between trustees or custodians are not reported on this or any other form. Because you may make contributions for a given tax year to your retirement account until the tax filing deadline (April 17, 2012), Form 5498 (IRA) will be mailed in April. Form 5498 for Education Savings Accounts will also be mailed in April. If you've completed your tax filing, simply verify from Form 5498 that your 1040 reporting is consistent with the contribution recorded for your Northern Funds account.

### FORM 1042-S

You will receive this form if you are a nonresident alien individual, nonresident alien fiduciary, or a foreign corporation with United States income.

**Check the table opposite to find out what information you'll receive, if applicable, from Northern Funds.**

<b>NORTHERN FUNDS</b>	FORM 1099-DIV	FORM 1099-INT	FORM 1099-B/ AVERAGE COST STATEMENT	% OF DIVIDENDS FROM DIRECT U.S. GOV'T & AGENCY OBLIGATIONS	TAX-EXEMPT INTEREST INCOME EARNED BY STATE	FOREIGN TAX CREDIT
<b>MONEY MARKET FUNDS</b>						
California Municipal Money Market	■	■			■	
Money Market	■					
Municipal Money Market	■	■			■	
U.S. Government Money Market	■			■		
U.S. Government Select Money Market	■			■		
<b>FIXED INCOME FUNDS</b>						
Arizona Tax-Exempt	■	■	■		■	
Bond Index	■		■	■		
California Intermediate Tax-Exempt	■	■	■		■	
California Tax-Exempt	■	■	■		■	
Fixed Income	■		■	■		
Global Fixed Income	■		■	■		
High Yield Fixed Income	■		■			
High Yield Municipal	■	■	■		■	
Intermediate Tax-Exempt	■	■	■		■	
Multi-Manager High Yield Opportunity	■		■			
Short-Intermediate Tax-Exempt	■	■	■		■	
Short-Intermediate U.S. Government	■		■	■		
Tax-Advantaged Ultra-Short Fixed Income	■		■	■		
Tax-Exempt	■	■	■		■	
Ultra-Short Fixed Income	■		■	■		
U.S. Government	■		■	■		
<b>EQUITY FUNDS</b>						
Emerging Markets Equity Index	■		■			■
Enhanced Large Cap	■		■			
Global Real Estate Index	■		■			■
Global Sustainability Index	■		■			■
Global Tactical Asset Allocation	■		■			■
Income Equity	■		■			
International Equity	■		■			■
International Equity Index	■		■			■
Large Cap Equity	■		■			
Large Cap Growth	■		■			
Large Cap Value	■		■			
Mid Cap Index	■		■			
Multi-Manager Emerging Markets Equity	■		■			■
Multi-Manager Global Real Estate	■		■			■
Multi-Manager International Equity	■		■			■
Multi-Manager Large Cap	■		■			
Multi-Manager Mid Cap	■		■			
Multi-Manager Small Cap	■		■			
Small Cap Core	■		■			
Small Cap Index	■		■			
Small Cap Value	■		■			
Stock Index	■		■			
Technology	■		■			

## FORM 1099-DIV

This form reports all taxable dividends and capital gains earned from your Northern Funds accounts during 2011. The amount includes the following:

- Ordinary income dividends, including short-term capital gain distributions, and/or
- Capital gain distributions from long-term capital gains.

You will not receive a 1099-DIV form for a tax-free income fund unless it has paid taxable investment income or short- and/or long-term capital gains.

This information is reported to the IRS and must be reported on your federal income tax return, regardless of whether you received the dividends or distributions in cash or as reinvestments.

Form 1099-DIV consolidates information for all accounts you owned during 2011 that were registered with the same address and same taxpayer identification number.

### A Recipient

Account owner's registration and mailing address.

### B Recipient's Identification Number

Taxpayer identification number under which the amounts have been reported to the IRS. For individuals, this is your social security number. For your protection this form may show only the last four digits of your social security number.

### C Fund

Name of the fund for which dividends and/or distributions are reported.

### D Account Number

Recipient's account number for which the dividends and/or distributions are reported.

<b>A</b> STEPHEN NORTHERN 50 SOUTH LASALLE CHICAGO IL 60603		Recipient's Identification Number: XXX-XX-1234					<b>B</b>
<b>Form 1099-DIV • DIVIDENDS AND DISTRIBUTIONS • 2011</b>							<b>L-M</b>
(1a) Total Ordinary Dividends	(1b) Qualified Dividends	(2a) Total Capital Gain Distributions	(2b) Unrecap. Sec. 1250 gain	(3) Nondividend Distributions	(4) Federal Income Tax Withheld	(6) Foreign Tax Paid	
<b>C-D</b> Fund: TECHNOLOGY Account Number: 6171111125				Cusip Number: 665162798 Fund Tax ID: 39-1819955			
250.90	218.92	1,421.65	0.00	0.00	0.00	0.00	
<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>I</b>	<b>J</b>	<b>K</b>	

### E Total Ordinary Dividends (1a)

Shows total ordinary dividends that are taxable. Include this amount on Form 1040, line 9a. Also report it on Schedule B, if required.

### F Qualified Dividends (1b)

The portion of the dividends in box 1a that may be eligible for the 0% or 15% capital gains tax rates. Report the eligible amount on Form 1040, line 9b.

### G Total Capital Gain Distributions (2a)

Shows total capital gain distributions from a regulated investment company or real estate investment trust. Report the amount shown in box 2a of Form 1099-DIV on Schedule D, line 13.

### H Unrecaptured Section 1250 Gain (2b)

Amount of your long-term capital gain distributions representing unrecaptured section 1250 capital gains. Report this amount on line 19 of Schedule D.

### I Nondividend Distributions (3)

Amount of your distribution that is nontaxable because it is a return of your cost (or other basis).

### J Federal Income Tax Withheld (4)

Amount represents backup withholding, if any. For example, if you have not furnished a social security number or taxpayer identification number (TIN) to Northern Funds, you are subject to backup withholding. (See IRS Form W-9 for information on backup withholding.)

### K Foreign Tax Paid (6)

Shows the foreign tax that you may be able to claim as a deduction or credit on Form 1040.

### L CUSIP Number

The CUSIP number of the security redeemed or exchanged.

### M Fund Tax ID

Federal tax ID number for the fund from which proceeds were paid and are reported.



# FORM 1099-B/ VOLUNTARY AVERAGE COST BASIS REPORTING

This form reports proceeds from redemptions and exchanges you made from your non-money market, nonretirement accounts during 2011, as well as your average cost basis. The IRS considers an exchange from one fund to another fund to be a taxable redemption of shares. These redemption proceeds must match the sales proceeds you report on Schedule D, "Capital Gains and Losses."

This information is reported to the IRS. Form 1099-B consolidates information for all Northern Funds accounts you owned during 2011 that were registered with the same address and same taxpayer identification number.

<b>A</b>		STEPHEN NORTHERN 50 SOUTH LASALLE CHICAGO IL 60603		<b>B</b>		RECIPIENT'S Identification Number: XXX-XX-1234		Page 1 of 1	
<b>F</b>		<b>G</b>		<b>H</b>		<b>I</b>		CORRECTED (if checked) <input type="checkbox"/> (OMB No. 1545-0715)	
<b>Form 1099-B – PROCEEDS FROM BROKER &amp; BARTER EXCHANGE TRANSACTIONS – 2011</b>									
<b>(1a)</b>	<b>(2)</b>	<b>(4)</b>	<b>(9) Description</b>						
Date of Sale	Sales price of stocks, bonds, etc.	Federal Income Tax Withheld	Transaction	Share Price	Shares This Transaction	The Cost Basis and Gain (Loss) information below is not being reported to the IRS	Average Cost Basis	Gain (Loss)	Holding Period
Fund: SMALL CAP VALUE	Account Number: 6030001111	Cusip Number: 665162400	Fund Tax ID: 39-1777350						
07/11/11	27,896.46 27,507.65 + 188.81 +	0.00	Redemption	16.15	1,714.951 1,703.260 11.691	27,261.87 187.12	245.78 1.69	Long Short	
<b>C</b>		<b>D &amp; E</b>		<b>J</b>		<b>K</b>		<b>L</b>	

## A Recipient

Account owner's registration and mailing address.

## B Recipient's Identification Number

Taxpayer identification number under which the amounts have been reported to the IRS. For individuals, this is your social security number. For your protection this form may show only the last four digits of your social security number.

## C Fund

Name of the fund for which proceeds are reported.

## D Fund Tax ID

Federal tax ID number for the fund from which proceeds were paid and are reported.

## E CUSIP Number

The CUSIP number of the security redeemed or exchanged.

## F Date of Sale (1a)

Date on which the redemption or exchange occurred.

## G Gross Proceeds (2)

The dollar amount of redemption proceeds paid in cash or exchanges to another fund.

## H Federal Income Tax Withheld (4)

Amount represents backup withholding, if any. For example, if you have not furnished a social security number or taxpayer identification number (TIN) to Northern Funds, you are subject to backup withholding. (See IRS Form W-9 for information on backup withholding.)

## I Description (9)

Provides the details of each transaction, including the type of transaction, share price and number of shares redeemed or exchanged.

## J Average Cost Basis

This is the average cost of the shares you redeemed, calculated using the average cost/single category method of accounting. "Basis" is a way of determining the purchase price of your investment, so that you may calculate your gains or losses. The basis for stocks, bonds and mutual fund shares includes the original amount you paid, plus any reinvested distributions. The average cost method simply averages the cost of the shares you own. See page 8 for additional details.

## K Gain (Loss)

Amount of reportable gain or loss resulting from your share redemption, which is the difference between the redemption proceeds from the sale and the basis of the shares sold.

## L Holding Period

The designation of the gain/loss is provided in this column, using the first-in, first-out method. Shares held for one year or less are considered short-term and are designated as "short" on the form. Shares held for more than one year are long-term and are designated as "long" on the form. Please enter each redemption in the appropriate section of Schedule D. If you're using the average cost method for calculating cost basis, when filling out Schedule D, please write "Various" in the box for "Date Acquired" for each individual redemption.

## # Wash Sale

A loss that is noted with # has been adjusted because of a "wash sale" transaction. If you purchase shares of a fund (including reinvested dividends) within 30 days before or after you redeem shares at a loss, the redemption is considered a "wash sale." Any loss resulting from that sale is disallowed by the IRS and must be added to the cost basis of the repurchased shares. A loss noted with # is considered your allowable loss after the wash sale adjustment.

### How to Calculate Gains & Losses

Capital gains and losses, which occur when you redeem or exchange your mutual fund shares, must be reported to the IRS. To do so, you first must determine the purchase price for your funds and then calculate your cost basis.

You may save significantly on your taxes, depending on the method you choose to compute your gains and losses. We strongly recommend that you work with your tax advisor to determine the best method for you, based upon your personal situation.

### Gather Your Records

To calculate a capital gain or loss on a particular redemption, you must determine which shares were sold (if only a portion were redeemed) and how much you paid for those shares (the cost basis). This can be a complicated aspect of mutual fund tax reporting, because extensive record keeping and complex calculations are required.

You can use your annual account statements to identify every purchase you have made for a specific account. Once you've determined the purchase price for the different shares you own, you can calculate your cost basis using one of the three alternatives allowed by the IRS.

### Three Methods of Calculating Cost Basis

The IRS currently allows you to calculate your mutual fund cost basis using any one of these three methods:

- Average cost (single-category or double-category) method
- First-in, first-out (FIFO) method
- Specific share identification method.

Before you choose a method, keep this in mind: Your cost basis must reflect the price of all your purchases, including any reinvested dividends and capital gain distributions. Over a period of time, reinvested distributions can account for a substantial portion of your purchases. If you omit these transactions from your cost basis, you will report a larger capital gain or smaller capital loss than you actually have.

### Average Cost Method

Both average cost methods (single-category and double-category) have special requirements that you need to consider carefully:

You must state on your tax return, or on an attachment to your tax return, which method you've chosen to use.

If you choose either of the average cost methods, the IRS requires you to use that method for all accounts registered with your taxpayer identification number in that particular mutual fund. However, you may use different methods for other mutual funds. For example, if you used the average cost/single-category method for an account in the ABC Fund, you must use this method for all your ABC Fund accounts. You may use a different method for your other funds.

### Important Points to Remember

Once you have chosen to use average cost, you cannot change methods for any accounts in the fund without requesting and receiving permission from the IRS.

Average cost may be used only for mutual funds. You cannot use it for any other investments, such as individual stocks and bonds.

Northern Funds provides you with an Average Cost Statement if you redeemed or exchanged shares during the year from a non-money market, nonretirement account. The statement calculates the average cost using the single-category method.

### FIFO Method

The FIFO (first-in, first-out) method assumes that the first shares you redeem are the first ones you bought. If you don't specify another method, the IRS will assume that you have used FIFO.

### Specific Share Identification Method

This method allows you to choose which shares are redeemed, so long as you identify the shares at the time of your redemption. For each redemption or exchange, you must provide written confirmation identifying the shares that were redeemed. The confirmation should specify the number of shares redeemed, the date the shares were purchased and the purchase price of the shares.

This method allows you to minimize or maximize capital gains and losses, but it also requires you to keep written records confirming which shares were redeemed on any given date. You should keep a copy of all your confirmations, in case the IRS should request them. Your tax advisor can give you more information about record keeping requirements.

## FORM 1099-R

This form summarizes all reportable distributions made during 2011 from retirement plan accounts, including pensions, annuities and Individual Retirement Arrangements (IRAs). Attach Copy B of Form 1099-R to your tax return if you had any federal income tax withheld, as shown in box 4 of this form. Copy C is for your records.

The tax consequences of receiving a distribution vary, depending on the type of retirement plan or account and the circumstances surrounding the distribution. Please consult your tax advisor about how to report this information correctly.

FORM 1099-R • Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs Insurance, Contracts etc • 2011		Form 1099-R <input type="checkbox"/> Corrected (if checked) (OMB No. 1545-0119)	
NORTHERN FUNDS P.O. BOX 75986 CHICAGO IL 60675-5986		1 Gross Distribution <b>\$400.00</b>	2a Taxable Amount <b>\$400.00</b>
A STEPHEN NORTHERN 50 SOUTH LASALLE CHICAGO IL 60603		2b Taxable amount not determined <input checked="" type="checkbox"/>	Total Distribution <input type="checkbox"/>
		<b>2011</b>	
B Northern Funds Center 800-995-9111		3 Capital Gain (included in box 2a)	4 Federal Income Tax Withheld <b>\$0.00</b>
		5 Employee contributions/ Designated Roth contributions	6 Net unrealized appreciation in employer's securities
C PAYER'S Federal ID# 34-1234567		7 Distribution code <b>7</b>	8 Other <input type="checkbox"/>
		9a Total percentage of total distribution	9b Total employee contributions %
D Account Number 6020100111		10 State tax withheld	11 State Payer's state no.
		13 Local tax withheld	14 Name of locality
E & F 15 Local distribution		12 State distribution	

Department of the Treasury Internal Revenue Service

### A Recipient

Account owner's registration and mailing address.

### B Payer's Federal Identification Number

Federal tax ID number for the custodian (Northern Trust) for the fund from which proceeds were paid and are reported.

### C Recipient's Identification Number

Taxpayer identification number under which the amounts have been reported to the IRS. For individuals, this is your social security number. For your protection this form may show only the last four digits of your social security number.

### D Account Number

Recipient's account number for which the distributions are reported.

### E Gross Distribution (1)

Amount of your distribution before income tax or other deductions. Report this amount on Form 1040.

### F Taxable Amount (2a)

Amount of the distributions from your retirement plan accounts that are taxable. For distributions from a Roth IRA, you may need to compute the taxable amount. If this situation applies to you, please consult IRS Publication 590, Individual Retirement Arrangements (IRAs), the IRS or your tax advisor for guidance.

### G Federal Income Tax Withheld (4)

Reports federal income tax withheld from your distribution. Include this amount on your income tax return as tax withheld, and if box 4 shows an amount (other than zero), attach copy B of your 1099-R to your federal return.

### H Distribution Code (7)

This code provides valuable information regarding the type of distribution. Check your 2011 IRS tax return instruction booklet or 1099-R detail for more information.

## FORM 1099-Q

This form summarizes all distributions and rollovers made from a Coverdell Education Savings Account (Coverdell ESA) and/or a qualified tuition program, more commonly referred to as a section 529 plan.

### A Recipient

Account owner's registration and mailing address (including custodial accounts for minors).

### B Account Number

Recipient's account number for which the distributions are being reported.

### C Recipient's Identification Number

Taxpayer identification number under which the amounts have been reported to the IRS. For individuals, this is your social security number. For your protection this form may show only the last four digits of your social security number.

### D Payer's/Trustee's Federal Identification Number

Federal tax ID number for the fund from which proceeds were paid and are reported.

<b>A</b>		STEPHEN NORTHERN 50 SOUTH LASALLE CHICAGO IL 60603						<b>C</b>	
				Recipient's Identification Number: XXX-XX-1234					
				<input type="checkbox"/> Corrected (if checked)				(OMB No. 1545-1766)	
<b>Form 1099-Q • PAYMENTS FROM QUALIFIED EDUCATION PROGRAMS (UNDER SECTIONS 529 AND 530) • 2011</b>									
Account Number	(1) Gross Distribution	(2) Earnings	(3) Basis	(4) Trustee to Trustee Rollover	(5) Program Type	(6) If this box is checked the recipient is not the designated beneficiary	Coverdell ESA Fair Market Value as of 12-31-11		
<b>Fund: INCOME EQUITY</b>		<b>PAYER's/TRUSTEE's Federal Identification No.: 39-1777347</b>							
6020156523	210.50	0.00	0.00	<input type="checkbox"/>	Coverdell ESA	<input type="checkbox"/>	5,000.00		
<b>Fund: STOCK INDEX</b>		<b>PAYER's/TRUSTEE's Federal Identification No.: 39-1856202</b>							
6180485318	100.00	0.00	0.00	<input type="checkbox"/>	Coverdell ESA	<input type="checkbox"/>	5,000.00		
<b>B</b>		<b>E</b>		<b>F</b>		<b>G</b>		<b>H</b>	

### E Gross Distribution (1)

Amount of your distribution from a Coverdell ESA, including a refund, payment upon death or disability or a withdrawal of excess contributions plus earnings.

### F Program Type (5)

Identifies the type of qualified tuition program from which the distribution is taken, i.e., Coverdell ESA.

### G Designated Beneficiary Checkbox (6)

A checked box indicates that the recipient is not the designated beneficiary.

### H Fair Market Value

The Fair Market Value of a Coverdell ESA as of 12/31/11. To determine the amount of earnings to report, see IRS Publication 970, Tax Benefits for Education.

## FORM 1099-INT

All amounts of tax-exempt interest must be reported on Form 1099-INT.

### A Recipient

Account owner's registration and mailing address.

### B Recipient's Identification Number

Taxpayer identification number under which the amounts have been reported to the IRS. For individuals, this is your social security number. For your protection this form may show only the last four digits of your social security number.

### C Fund Tax ID

Federal tax ID number for the custodian (Northern Trust) for the fund from which proceeds were paid and are reported.

### D Account Number

Recipient's account number for which the distributions are reported.

<b>A</b> STEPHEN NORTHERN 50 SOUTH LASALLE CHICAGO IL 60603		<b>B</b> Recipient's Identification Number: XXX-XX-1234	
<b>Form 1099-INT • INTEREST INCOME • 2011</b>			
(1) Interest Income	(4) Federal Income Tax Withheld	(8) Tax Exempt Interest	(9) Specified Private Activity Bond Interest
<b>D</b> Fund: HIGH YIELD MUNICIPAL Account Number: 6260156523		Cusip Number: 665162681 Fund Tax ID: 39-1945717	
0.00	0.00	\$364.31	\$76.51
<b>E</b>	<b>F</b>	<b>C&amp;G</b>	<b>H</b>

### E Interest Income (1)

Shows interest income paid to you during the calendar year.

### F Federal Income Tax Withheld (4)

Amount represents backup withholding, if any. For example, if you have not furnished a social security number or taxpayer identification number (TIN) to Northern Funds, you are subject to backup withholding. (See IRS Form W-9 for information on backup withholding.)

### G Tax-Exempt Interest (8)

Shows tax-exempt interest, including exempt-interest dividends paid to you during 2011. This amount may be subject to backup withholding.

### H Specified Private Activity Bond Interest (9)

Shows tax-exempt interest subject to the alternative minimum tax. This amount is included in box 8.

## FORM 5498-IRA

Contributions and changes to IRA accounts are reported to the IRS on Form 5498. You should receive one Form 5498 that includes all of your IRA plans under your social security number. Contributions to a spousal IRA are reported on a separate Form 5498 under the spouse's social security number.

The information provided on the form includes:

### A Payer's Name

The name and address of the issuer or trustee for your IRA.

### B Recipient

Account owner's registration and mailing address.

### C Participant's Social Security Number

The social security number under which the amounts have been reported to the IRS. For the participant's protection this form may show only the last four digits of the social security number.

### D IRA Contributions (1)


The amount of 2011 contributions to Traditional IRAs made during 2011 and through April 17, 2012. If you or your spouse were active in an employer's pension plan, these contributions may not be deductible.

### E Rollover Contributions (2)

The amount of direct or indirect rollovers into Traditional IRAs, and rollovers from one Roth IRA to another, made during 2011. This does not include amounts converted from Traditional, Simplified Employee Pension (SEP), or Savings Incentive Match Plan for Employees (SIMPLE) IRAs to a Roth IRA.

### F Roth IRA Conversion Amount (3)

The amount converted from Traditional, SEP or SIMPLE IRAs to a Roth IRA during 2011. This includes amounts reconverted back to Roth IRAs after recharacterization to another type of IRA. It does not include rollovers from one Roth IRA to another.

<b>A</b>	TRUSTEE'S or ISSUER'S name, street address, city, state and ZIP code NORTHERN TRUST COMPANY 801 S. CANAL STREET, C5S CHICAGO IL, 60607 800-595-9111	 <b>TAX YEAR 2011</b> Copy B For Participant - Keep for your Records Department of the Treasury-Internal Revenue Service This information is being furnished to the Internal Revenue Service.					
<b>B</b>	PARTICIPANT'S name, street address (including apt. no.), City, State and ZIP code NORTHERN TRUST C/F ROTH IRA OF STEPHEN NORTHERN 50 SOUTH LASALLE CHICAGO, IL 60603						
PARTICIPANT'S Social Security Number: XXX-XX-1234		<b>C</b>					
<input type="checkbox"/> CORRECTED (if checked) <span style="float: right;">(OMB No. 1545-0747)</span>							
Form 5498 - IRA CONTRIBUTION INFORMATION - 2011							
(1) IRA Contributions (other than amounts in boxes 2-4 and 8-10)	(2) Rollover Contributions	(3) Roth IRA Conversion Amount	(4) Recharacterized Contributions	(5) Fair Market Value of Account as of 12/31/2011	(8) SEP Contributions	(10) Roth IRA Contributions	(11) If Checked, required minimum distribution for 2012
Fund: INCOME EQUITY Account Number: 6020100000				TRUSTEE'S/ISSUER'S Identification no.: 36-1561860			
0.00	0.00	0.00	0.00	0.00	0.00	250.00	<input type="checkbox"/>
Fund: MULTI-MANAGER LARGE CAP Account Number: 6420100000				TRUSTEE'S/ISSUER'S Identification no.: 36-1561860			
0.00	0.00	0.00	0.00	0.00	0.00	250.00	<input type="checkbox"/>
<b>Summary</b>							
0.00	0.00	0.00	0.00	0.00	0.00	500.00	
<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H&amp;I</b>	<b>J</b>	<b>K</b>	<b>L</b>

### G Recharacterized Contributions (4)

The total amount of contributions and earnings recharacterized from one type of IRA to another.

### H Fair Market Value of Account (5)

The fair market value of your IRA as of December 31, 2011.

### I IRA, SEP, SIMPLE, Roth IRA (7)

This field designates the type of IRA reported on Form 5498.

### J SEP Contributions (8)

The amount of contributions made by employers or self-employed individuals to SEP IRAs during 2011, including contributions made during 2011 for 2010. Contributions for 2011 made during 2012 should not be included. If your employer made the contributions, you should not deduct the amount on your income tax return.

### K Roth IRA Contributions (10)

The amount of contributions made to a Roth IRA during 2011 through April 17, 2012. These are not deductible.

### L Required Minimum Distribution (11)

If this box is checked, you must take a Required Minimum Distribution (RMD) during 2012. If you fail to take the RMD during 2012, you may be subject to a 50% excise tax on the amount not distributed. If you have questions about RMDs, please contact your tax advisor or the Northern Funds Center at **800-595-9111** weekdays from 7:00 a.m. to 7:00 p.m. Central Time.

## FORM 5498-ESA

Contributions to Coverdell Education Savings Accounts (ESAs), including rollovers, are reported to the IRS on Form 5498-ESA. You will receive Form 5498-ESA for each person for whom you maintain a Coverdell ESA. The information reported includes:

### A Payer's Name


The name and address of the issuer or trustee for your ESA.

### B Beneficiary's Social Security Number

The social security number under which the amounts shown have been reported to the IRS, for the beneficiary's protection this form may show only the last four digits of the social security number.

### C Beneficiary's Name

The registration and mailing address for the beneficiary of the ESA. The beneficiary is the person for whom you are maintaining the account.

<b>A</b>	<p>TRUSTEE'S or ISSUER'S name, street address, city, state and ZIP code          NORTHERN TRUST COMPANY          801 S. CANAL STREET, C5S          CHICAGO IL, 60607          800-595-9111</p> <p>BENEFICIARY'S name, street address (including apt. no.), City, State and ZIP code</p>	  <b>TAX YEAR 2011</b> <b>Copy B For Beneficiary - Keep for your Records</b>  Department of the Treasury-Internal Revenue Service  The information in boxes 1 and 2 is being furnished to the Internal Revenue Service.
<b>C</b>	<p>COVERDELL EDUCATION SAVINGS ACCT OF          STEPHEN NORTHERN          CUST STEPHEN NORTHERN JR.          50 SOUTH LASALLE          CHICAGO, IL 60603</p>	
		<p><b>BENEFICIARY'S Social Security Number:</b> XXX-XX-1234 <b>B</b></p>
<p><input type="checkbox"/> CORRECTED (if checked) (OMB No. 1545-1815)</p>		
<b>Form 5498-ESA - COVERDELL ESA CONTRIBUTION INFORMATION - 2011</b>		
Account Number	(1) Coverdell ESA Contributions	(2) Rollover Contributions
Fund: TECHNOLOGY 6170100000	TRUSTEE'S/ISSUER'S Identification no.: 36-1561860 450.00	0.00
Form 5498-ESA		
	<b>D</b>	<b>E</b>

### D Coverdell ESA Contributions (1)

The amount of ESA contributions made during 2011 and through April 17, 2012. If the amount of all contributions to all ESAs for this beneficiary exceeds the maximum allowable contribution of \$2,000 per student then any amount over \$2,000, and any earnings, must be withdrawn by May 31, 2012 or you may owe a penalty.

### E Rollover Contributions (2)

The amount of direct or indirect rollovers into ESAs during 2011. In general, rollovers from one ESA to another for a named beneficiary or a member of the beneficiary's family under age 30 are not subject to taxation.

IRS CIRCULAR 230 NOTICE: The information in this guide is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law. For more information about this notice, see [northerntrust.com/circular230](http://northerntrust.com/circular230).

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