INTEL EMPLOYEE PLANNING SERIES

The Intel SERPLUS Decision

How to coordinate salary, bonus, payroll taxes, distribution elections, and Intel credit risk

SERPLUS is not simply a larger 401(k). One advance annual election can determine how much salary and eligible bonus will be postponed, whether the employee receives an Intel make-up match, and when the resulting balance may be paid. The opportunity can reduce current taxable income and create a future retirement-income stream, but it also replaces current cash with an illiquid, unsecured promise from Intel.

SET SALARY AND BONUS DEFERRALS SEPARATELY Intel's filed plan permits deferral of 1% through 75% of eligible Employee Bonus in 1% increments. Intel sets the maximum salary-deferral percentage annually. The current enrollment notice controls eligibility, available rates, compensation definitions, and deadlines.

MODEL THE MAKE-UP MATCH The filed plan provides a matching contribution equal to 5% of defined Excess Earnings, capped by the participant's related deferrals and subject to plan eligibility. This is not a separate 5% match on all pay. Verify the current formula and qualified-plan true-up requirements before choosing a rate.

CHOOSE THE PAYMENT BEFORE DEFERRING A service-year election can include separate payment choices for earnings deferrals and Intel contributions. A lump sum, installment stream, or scheduled in-service payment can create very different tax and liquidity outcomes. Changes are limited, and the balance remains an unsecured, at-risk obligation of Intel.

One Annual Election - Two Separate Compensation Sources

Salary and eligible bonus should not be treated as one combined percentage. They affect household cash flow differently, and Intel's filed plan permits separate deferral elections. The plan's bonus definition has included specified annual performance bonuses, Intel Capital bonuses, and commissions while excluding other payments; the current enrollment notice controls.

THE 2026 ELECTION FOR 2027

2026 - MAKE THE 2027 ELECTIONS Before the applicable deadline, select the salary deferral rate, bonus deferral rate, notional investment allocations, and the time and form of payment using the current SERPLUS materials.

2027 - DEFER ELIGIBLE EARNINGS The election generally applies to eligible salary and bonus for services performed during the 2027 calendar plan year. Payroll must still retain enough current compensation to cover employment taxes, benefits, 401(k), ESPP, withholding, and other deductions.

AFTER YEAR-END - VERIFY INTEL CREDITS The filed plan credits the SERPLUS match after the plan year as soon as reasonably practicable. Reconcile Excess Earnings, qualifying deferrals, 401(k) true-up eligibility, and the Company Contribution Account against Intel's final records.

WHY THE ELECTION PRECEDES THE FINAL BONUS

For continuing participants, the filed plan generally requires an election no later than December 31 before the service year, subject to any earlier Intel deadline. New-eligibility rules use January 1 and July 1 entry dates with separate deadlines. In practical terms, a 2026 election can govern 2027 compensation before the employee knows the final bonus, future tax rates, Intel's performance, or the household's complete 2027 cash needs.

BUILD THE TWO RATES AND MATCH TOGETHER

SALARY RATE Start with monthly cash flow. Estimate take-home pay after SERPLUS, 401(k), ESPP, insurance, employment taxes, withholding, and fixed household spending. A high percentage can strain liquidity every pay period even when the long-term tax case is attractive.

BONUS RATE Treat eligible bonus as uncertain compensation. Model low, target, and high payout scenarios, then ask how much of each result can be deferred without relying on the bonus for spending, taxes, debt reduction, or near-term investment commitments.

COMBINED DEFERRAL AND MATCH TEST Determine whether combined qualifying deferrals are sufficient to receive the available make-up match without sacrificing needed liquidity. Overlay RSU and PSU vesting, option exercises, ESPP deductions or sales, estimated taxes, charitable gifts, and the household's total exposure to Intel.

Income Tax Is Deferred - FICA Usually Is Not

A SERPLUS election generally postpones federal income tax - and often state income tax - until the deferred amount is distributed. It generally does not postpone Social Security and Medicare tax in the same way. Under the special FICA timing rule, nonqualified deferred compensation is taken into account as wages at the later of when the related services are performed or when the right is no longer subject to a substantial risk of forfeiture, subject to special rules when the amount is not yet reasonably ascertainable.

WHEN THE AMOUNT IS EARNED, VESTED, OR CREDITED

INCOME TAX A properly deferred amount generally is not included in current federal taxable income. State treatment can depend on residence, compensation source, the payment schedule, and applicable state rules.

SOCIAL SECURITY An amount taken into account under the FICA rule is subject to Social Security tax only up to the annual wage base. Many SERPLUS-eligible employees may already exceed that limit through other wages, but the payroll record - not an estimate - controls.

MEDICARE Medicare tax has no wage-base ceiling, and Additional Medicare Tax may apply depending on wages and the employee's tax situation. Required FICA may be withheld from compensation that remains payable rather than from the amount credited to SERPLUS.

WHEN SERPLUS LATER PAYS

INCOME TAX BECOMES DUE The distribution is generally ordinary income in the payment year. A lump sum can create one large tax year; installments can spread income but extend exposure to Intel credit, notional investment performance, and tax-law changes.

FICA GENERALLY IS NOT CHARGED AGAIN Once a deferred amount has been properly taken into account as FICA wages, neither that amount nor the income attributable to it is generally treated as FICA wages again when paid. Confirm the treatment on Intel payroll and tax records.

WHERE THE PAYROLL-TAX ADVANTAGE COMES FROM

The original deferred salary, bonus, or vested Intel contribution does not automatically escape Social Security and Medicare tax. The advantage is the nonduplication rule: the amount is generally not taxed a second time for FICA at distribution, and attributable account growth generally is not subject to Social Security or Medicare tax. If other wages already exceed the Social Security wage base when the amount is taken into account, the incremental payroll tax may be primarily Medicare. The value must be weighed against future ordinary-income tax, Intel credit risk, and limited access.

MODEL THE COMPLETE TAX PATH

TODAY Estimate income-tax deferral, FICA withholding, reduced spendable pay, the make-up match, and any effect on withholding or quarterly estimated taxes.

DURING THE DEFERRAL Project notional investment returns, fees, Intel creditor exposure, and the absence of current liquidity. SERPLUS is not a substitute for emergency reserves or diversified assets outside Intel-related compensation.

AT DISTRIBUTION Project federal and state income tax, Roth-conversion capacity, Social Security, required minimum distributions, Medicare income-related surcharges, equity events, charitable giving, relocation, and the chosen payout schedule. Do not assume retirement automatically creates a lower marginal rate.

Decide the Exit Before You Defer

Intel's filed plan permits year-specific distribution elections for amounts credited to the Earnings Deferral Account and Company Contribution Account. That choice deserves the same attention as the deferral percentage because it determines future liquidity, the duration of Intel credit exposure, and whether taxable income arrives as one payment or a multiyear stream.

DISTRIBUTION CHOICES

PAYMENT AFTER EMPLOYMENT ENDS The filed plan permits a cash lump sum as soon as reasonably practicable after separation or in the following year, or annual installments over five or ten years beginning in the following year. The default for post-2019 amounts generally is a March lump sum after the separation year; older balances can follow different rules.

SCHEDULED PAYMENT WHILE EMPLOYED For eligible deferrals, the filed plan permits an in-service lump sum or installment election beginning at least three calendar years after the beginning of the service year. If employment ends first, the result can differ by account vintage and election. Confirm the current materials.

LIMITED CHANGES AND PAYMENT DELAYS A permitted in-service re-deferral generally must be elected at least 12 months before payment and delay payment at least five additional years; the payment method cannot be changed under that rule. Specified employees may face additional Section 409A delays after separation.

THE BALANCE IS NOT A 401(k) ACCOUNT

SERPLUS uses hypothetical investment alternatives to measure account performance, but Intel is not required to invest in the underlying funds. The participant has an unsecured claim against Intel's general assets, not a segregated retirement account that can be rolled to an IRA. The 2023 amendment generally requires a cash lump sum in the year following death, subject to the amendment's exceptions. Current plan documents and beneficiary records control.

> **Planning principle:** SERPLUS is a decision about when - and under what conditions - you will receive and pay tax on income already earned.

QUESTIONS TO RESOLVE BEFORE YOU ELECT

WHAT ARE MY TWO DEFERRAL RATES? Set salary and eligible bonus separately using recurring-pay and variable-bonus cash-flow scenarios.

HOW MUCH MAKE-UP MATCH IS AVAILABLE? Verify Excess Earnings, the cap tied to qualifying deferrals, 401(k) true-up eligibility, and the current Intel formula.

WHEN AND HOW WILL EACH SERVICE YEAR PAY? Map every outstanding election by account, service year, scheduled date, lump sum or installment form, and separation treatment.

IS THE TAX BENEFIT WORTH THE TRADEOFFS? Compare current income-tax deferral, FICA treatment, and Intel credits with liquidity, future tax concentration, notional investment risk, and Intel creditor exposure.

Educational overview. Current Intel plan documents, SERPLUS enrollment and election materials, payroll records, distribution procedures, and professional tax advice control. Sources: Intel Corporation Sheltered Employee Retirement Plan Plus, amended and restated effective January 1, 2020; Intel SERPLUS Second Amendment effective January 1, 2023; IRS Publication 15-A (2026); Treasury Regulations sections 31.3121(v)(2)-1 and 1.409A-2. Intel Corporation is not affiliated with Oswego Legacy Partners or Prudential. Reviewed August 2026.