INTEL EMPLOYEE PLANNING SERIES

How Much Intel Stock Is Too Much?

A framework for measuring total exposure and diversifying with taxes and Intel trading rules in view

Intel stock can enter a household through many doors: vested RSUs and PSUs, ESPP purchases, exercised stock options from equity compensation, taxable brokerage accounts, and the Intel Stock Fund inside the 401(k). Looking at each account separately can hide the real exposure. The right question is not whether Intel is a good company. It is whether one company now has enough influence over the family's investments, future compensation, employer credit exposure, and financial goals to create an avoidable risk.

COUNT WHAT YOU OWN Combine every currently owned Intel position: taxable shares, ESPP shares, vested shares retained after an award, and Intel stock inside the 401(k). Use market value on one date and divide the total by investable assets so the percentage is consistent.

TRACK WHAT IS COMING Unvested awards and stock options are not the same as owned shares, but they can rebuild concentration after a sale. Track future vesting, expected ESPP purchases, option expirations, and potential PSU settlements as a separate exposure pipeline.

MEASURE THE HOUSEHOLD IMPACT Salary, bonus, future awards, career opportunity, and SERPLUS credit exposure may also depend on Intel. Do not force them into the stock percentage; instead, test what a meaningful Intel decline could do to investments and employer-linked income at the same time. A personal limit should protect required goals, not copy a generic percentage.

Build the Complete Intel Exposure Map

Concentration is a household measurement, not an account label. Start with positions owned today, then add separate visibility for options, future awards, and other Intel-linked risks. This prevents contingent compensation from being counted as current wealth while still recognizing how quickly Intel exposure may return after the portfolio is diversified.

LAYER 1 - OWNED INTEL SHARES TODAY

TAXABLE ACCOUNTS Include ESPP shares, shares retained after RSU or PSU settlement, option-exercise shares, inherited or purchased Intel shares, and positions held at more than one brokerage firm, trust, or household account.

RETIREMENT ACCOUNTS Include Intel Stock Fund shares in the Intel 401(k) or Intel stock held in another retirement account. The plan's 20% Intel Stock Fund election limit is a guardrail, not a household target. Keep potential net unrealized appreciation (NUA) shares identified separately because a rollover, sale, or conversion can change the available tax strategy.

OWNED INTEL PERCENTAGE Divide the market value of all owned Intel shares by total investable assets measured on the same date. Use the same account and asset definitions each time so changes reflect decisions and market movement rather than inconsistent math.

LAYER 2 - OPTIONS AND FUTURE EQUITY

Track vested options by strike price, expiration, intrinsic value, and underlying shares. Options are nonlinear and should not be counted as though every underlying share were already owned. Track unvested RSUs, potential PSU outcomes, and planned ESPP purchases in a separate calendar. They are contingent future compensation, but they show how quickly Intel exposure could return.

LAYER 3 - CAREER, SERPLUS, AND LIQUIDITY

EMPLOYMENT EXPOSURE Salary, bonus, future awards, benefits, and advancement may be tied to Intel's business results. Treat this as a qualitative risk amplifier rather than adding an invented dollar value to the portfolio calculation.

SERPLUS AND LIQUIDITY A SERPLUS balance is an unsecured obligation of Intel even when its notional investments are diversified. Separately identify goals that cannot be postponed - taxes, near-term spending, education, a home purchase, debt reduction, or early retirement. Assets supporting those goals should not depend on Intel stock or Intel credit recovering on schedule.

> **Planning principle:** Intel stock becomes 'too much' when a company-specific decline could materially impair required goals, retirement timing, or household liquidity - especially when income, future awards, and employer credit exposure may be pressured at the same time.

Use a Stress Test - Not a Universal Percentage

No single concentration limit is appropriate for every Intel employee. The same percentage can represent a manageable risk for one household and a retirement-changing risk for another. The decision should be based on the dollars at risk, the purpose of those dollars, the ability to replace them, and the amount of future Intel exposure still expected.

A SIMPLE ILLUSTRATIVE STRESS TEST

STARTING POSITION Assume a household has $2,000,000 of investable assets and $600,000 of currently owned Intel stock across taxable and retirement accounts. The owned Intel percentage is 30% before considering options, future awards, SERPLUS, or career exposure.

ILLUSTRATIVE DECLINE A 40% decline in Intel would reduce the owned position by $240,000, before taxes and before considering any change in bonus, future awards, employment, or the value of Intel's unsecured SERPLUS obligation. This is a scenario, not a forecast.

GOAL IMPACT Translate the $240,000 decline into decisions: Does retirement move? Is education funding affected? Would the household need to sell during a downturn? Could future vesting or the next ESPP purchase rebuild the position before the next review?

DIVERSIFY IN A DELIBERATE ORDER

STOP ADDING EXPOSURE FIRST Create a standing rule for newly vested shares, future ESPP purchases, and option exercises. Intel's ESPP QuickSale may support a planned sale process for eligible employees, but the initial election is subject to Intel's insider-trading policy and current plan procedures. Selling exposure as it arrives may prevent the position from rebuilding.

IDENTIFY THE EXACT TAX LOTS Before selling, reconcile acquisition date, cost basis, holding period, and source for every lot. Specific-lot instructions can control which shares are sold; without adequate identification, FIFO rules may determine basis. Verify broker confirmations and payroll records for equity-award shares.

PROTECT SPECIAL-PURPOSE LOTS Do not apply a generic high-basis-first rule to every share. ESPP holding periods, NUA shares, short-term gains, loss lots, and option deadlines can change the preferred sequence. Selling at a loss also requires coordination with ESPP purchases, vesting shares, and other acquisitions under the wash-sale rules.

USE CHARITABLE GIVING SELECTIVELY For a household already planning to give, donating long-term appreciated Intel shares directly to a qualified charity or donor-advised fund may avoid realizing the embedded gain and may support a fair-market-value deduction, subject to holding-period, AGI, substantiation, recipient, and appraisal rules. Short-term or ordinary-income property can produce a different result.

KEEP TAXES IN THEIR PROPER ROLE Taxes matter, but an embedded gain is not a reason to leave required goals exposed indefinitely. Compare the certain tax cost of a sale with the financial consequence of continuing to hold the concentration.

Turn the Decision Into a Standing Policy

A one-time sale can reduce today's balance, but it does not solve the process problem. A written policy creates a repeatable response to future vesting, ESPP purchases, option exercises, market movement, and charitable goals. It also makes the household less dependent on deciding under pressure during a short Intel trading window.

THE SIX-PART INTEL STOCK POLICY

1. MEASUREMENT RULE Define which accounts count as owned Intel stock, how options and future awards are tracked, and the date the exposure percentage will be measured.

2. TARGET AND CEILING Set a target range and an action ceiling based on goal impact, liquidity, retirement horizon, other assets, future equity, SERPLUS exposure, and the household's willingness and ability to absorb loss.

3. VESTING AND PURCHASE RULE State what portion of new shares will be sold, retained, or directed to a planned charitable gift after each RSU vest, PSU settlement, ESPP purchase, or option exercise.

4. TAX-LOT RULE Document how basis, holding period, ESPP character, NUA status, losses, and option deadlines will be reviewed before choosing shares to sell or transfer.

5. TRADING-COMPLIANCE RULE Never transact while aware of material nonpublic information. Intel's policy can apply to sales, gifts, cashless option exercises, certain Intel Stock Fund elections, and related-person accounts. Confirm trading-window and pre-clearance status; if a 10b5-1 plan is considered, follow Intel and Corporate Legal requirements.

6. REVIEW RULE Review after each major vest, settlement, or exercise and at least annually. Recalculate after market movement, a promotion, retirement-date change, a SERPLUS election, or a material shift in household goals.

QUESTIONS TO RESOLVE BEFORE THE NEXT TRANSACTION

WHAT IS THE COMPLETE OWNED PERCENTAGE? Aggregate taxable, ESPP, vested-award, and 401(k) Intel shares using current values.

WHAT DOES THE STRESS TEST CHANGE? Translate a material stock decline into retirement timing, liquidity, employer-linked income, and specific financial goals.

WHICH SHARES SHOULD MOVE FIRST? Coordinate basis, holding period, ESPP treatment, NUA, losses, charitable intent, and option deadlines.

CAN THE TRANSACTION BE COMPLETED NOW? Confirm Intel's current insider-trading, trading-window, pre-clearance, brokerage, and plan-administration requirements before submitting instructions.

Educational overview. Current Intel plan documents, award agreements, account records, payroll information, and trading policies control. Sources: Intel 401(k) Savings Plan Form 11-K for 2025; Intel 2025 Form 10-K, Exhibits 19.1 and 19.2; SEC Investor.gov, Diversification; IRS Publications 550, 526, and 575 (2025); Instructions for Form 8283 (Rev. December 2025). Intel Corporation is not affiliated with Oswego Legacy Partners or Prudential. Reviewed August 2026.

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