

# Maximizing Your Intel SERPLUS Enrollment

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## Key Decision Points for 2025

# Today's Discussion

- 1 SERPLUS Program Overview
- 2 Understanding Your Risk
- 3 Tax Benefits
- 4 Making Your Elections



# SERPLUS at a Glance



## DCP Overview

- > Reduce Taxes Today
- > Tax-Deferred Growth
- > **Unfunded Liability**



## Contributions

- > Base Pay: 1-60%
- > Bonus: 1-75%
- > Match: Up to 5%



## Eligibility

- > **10+** Grade Level Required



## Key Dates

- > Enrollment: Mid-Nov
- > Deadline: End Nov



## Distribution Options\*

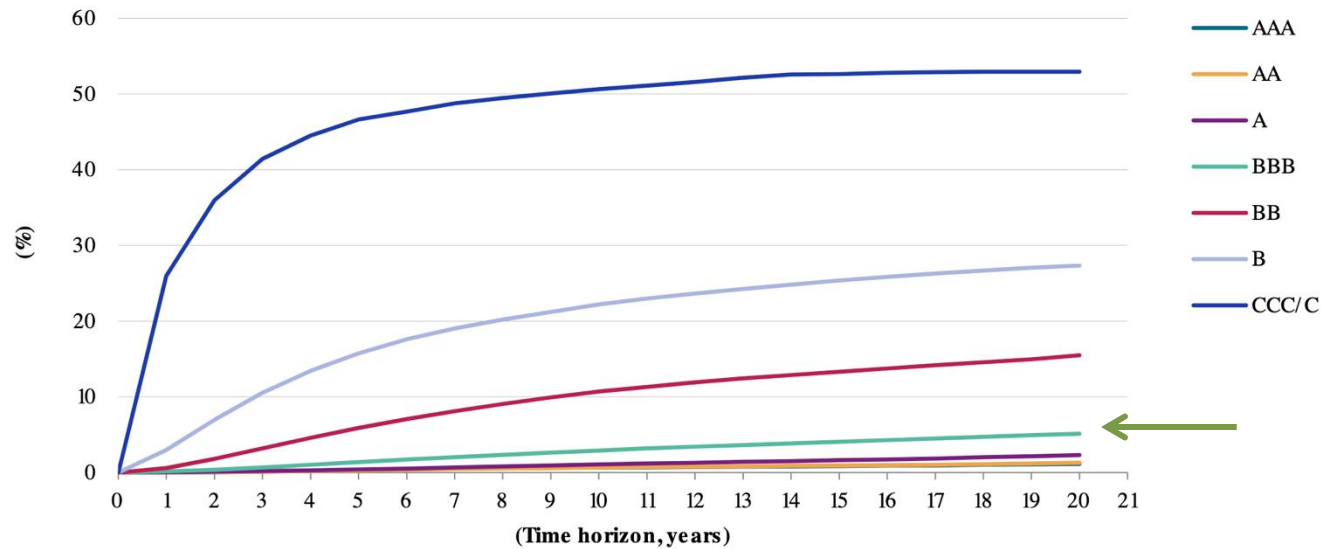
- > Immediate
- > Lump Sum
- > 5-year or 10-year

\* Must Select "In Service" or after employment ends.

# Intel's Risk

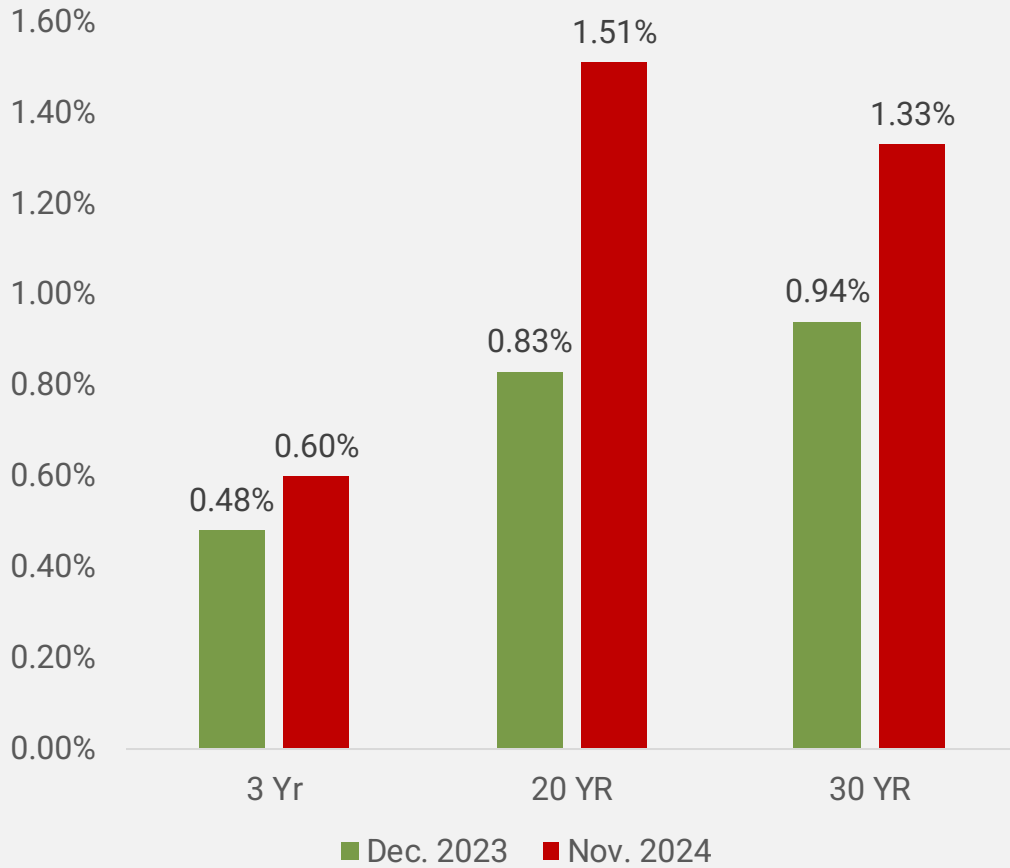
	S&P	Moody's	
	AAA	Aaa	Investment-Grade Bonds
	AA	Aa2	
	A	A2	
Intel's S&P Rating <b>BBB+</b>	BBB	Baa2	
	BB	Ba2	Intel's Moody's Rating <b>Baa1</b>
	B	B2	
High-Yield Bonds (Junk Bonds)	CCC	Caa	
	CC	Ca	
	C	C	
	D	D	

Global corporate average cumulative default rates by rating, 1981 to 2023

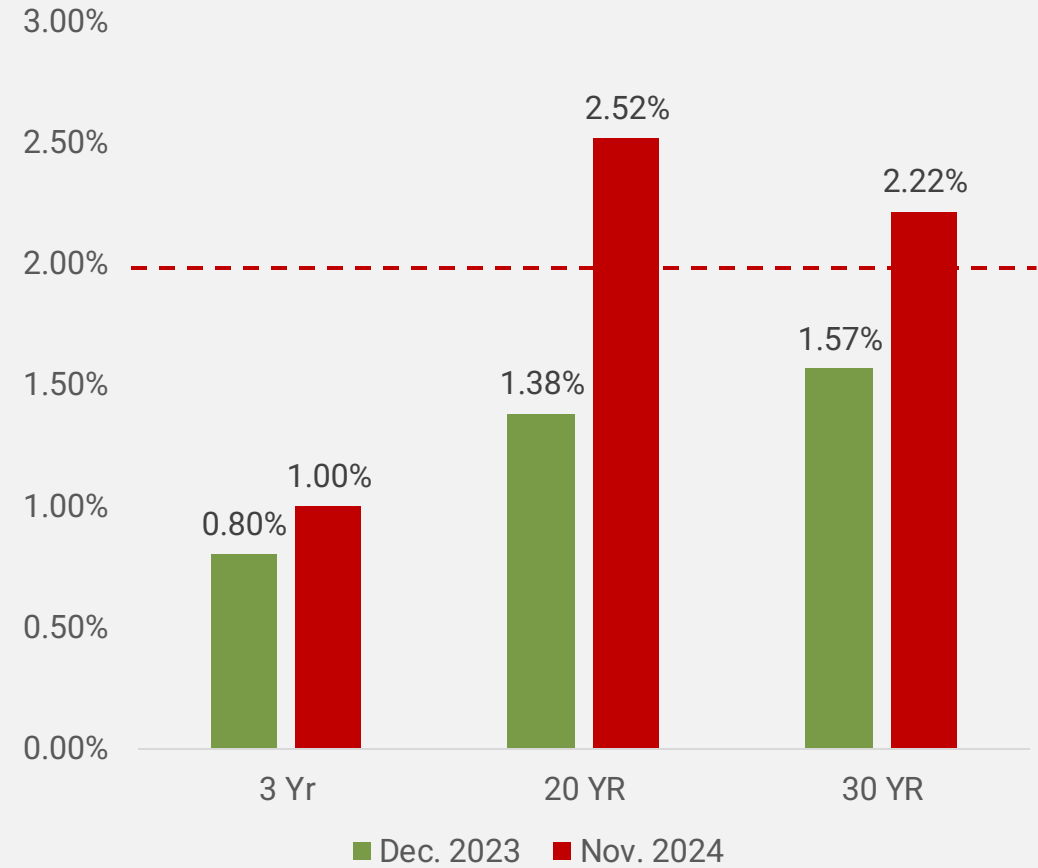


Sources: S&P Global Ratings Credit Research & Insights, S&P Global Market Intelligence's CreditPro®.  
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### Intel Bonds by Maturity Spread vs. Treasury Bonds

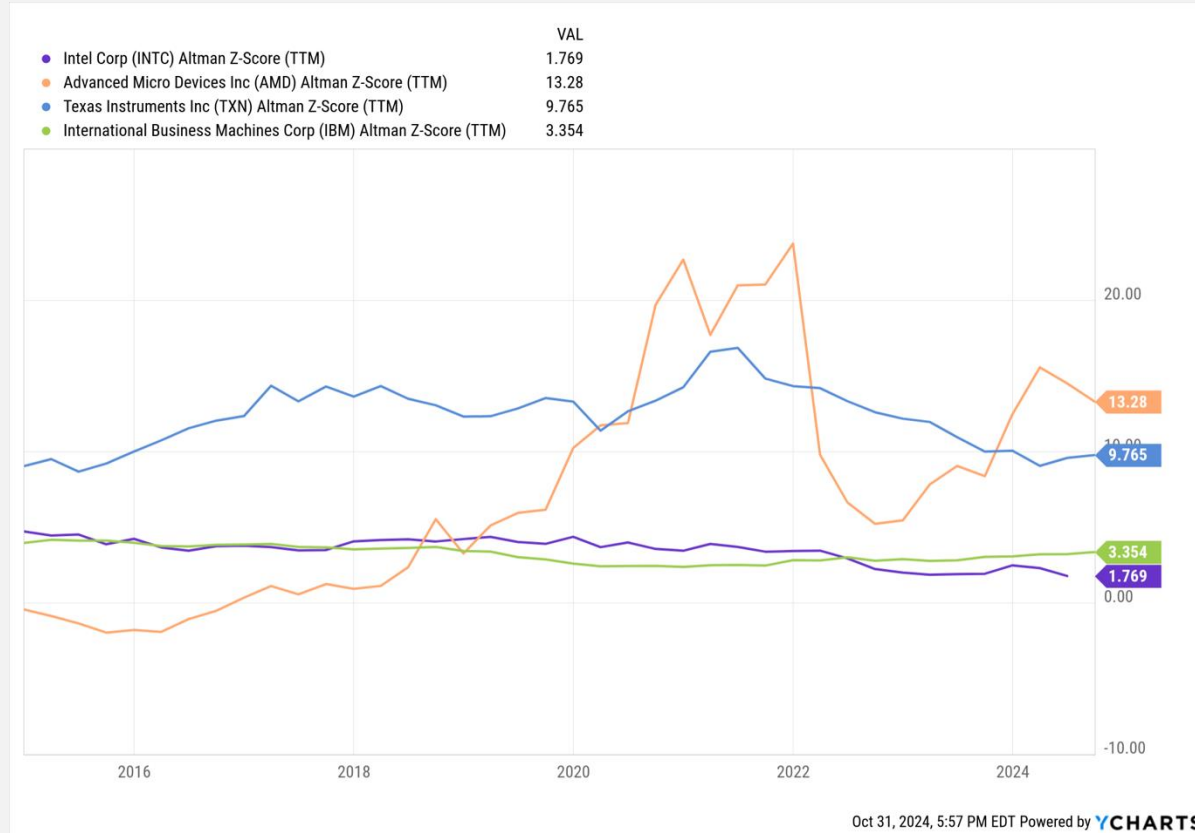
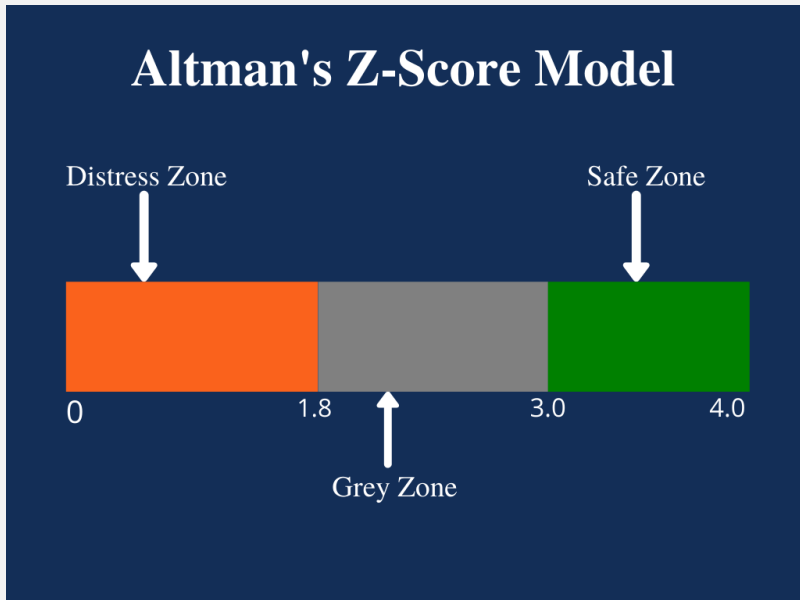


### Intel Bonds Implied Probability of Default



Source: Cordant's Calculations. Treasury rates via Treasury.gov. Intel bond yields via FINRA.org. Historical default rates and recovery rates (40%) via S&P Global "Default, Transition, and Recovery: U.S. Recovery Study: Loan Recoveries Persist Below Their Trend" Dec. 2023. Implied Probability of Default calculation is: Spread / (1-Recovery Rate).

# Intel's Risk

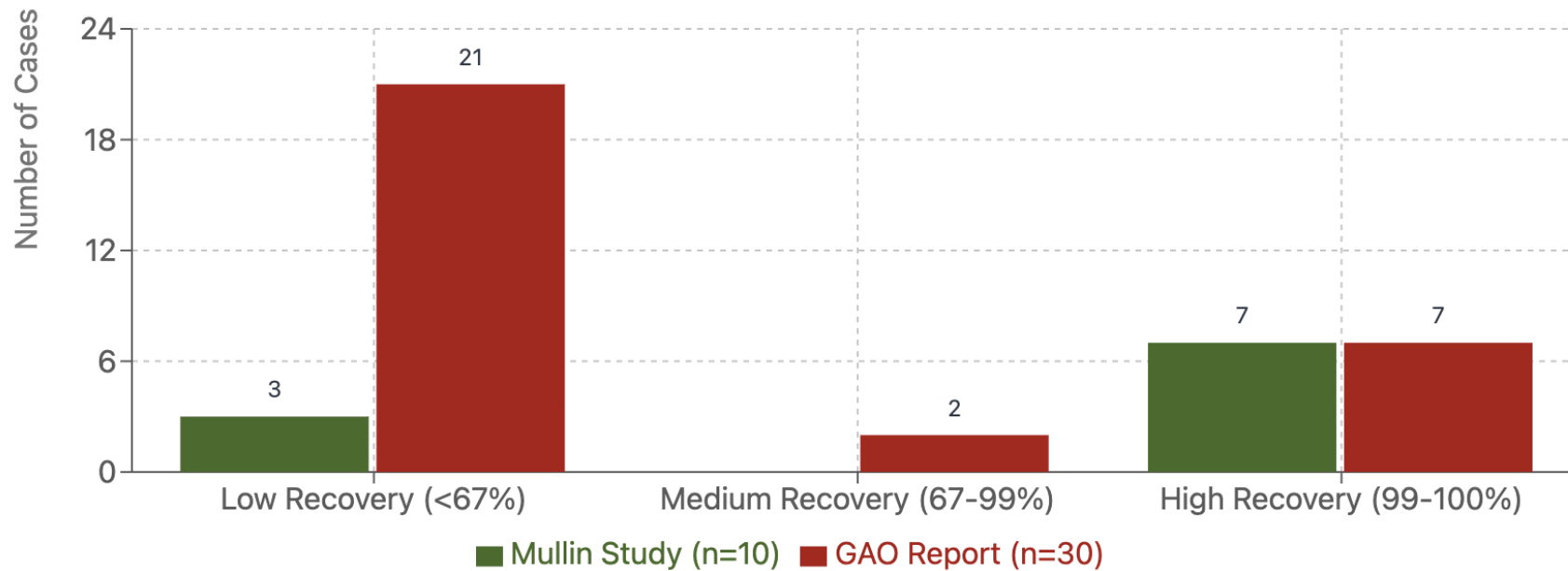


Source: Corporate Finance Institute and Ycharts.

# Magnitude of Loss

## Retirement Plan Recovery Rates: Study Comparison

Comparing recovery rates between 2018 Mullin Study and 2020 GAO Report

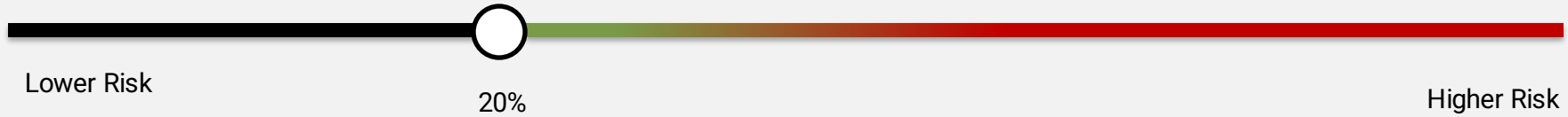


Sources: 2018 Mullin, Barenz, Sanford Financial and Insurance Services, LLC "Bankruptcy and Non-Qualified Deferred Compensation Plans" GAO Report to Congress. 2020. "IRS and DOL Should Strengthen Oversight of Executive Retirement Plans"

# Personal Risk Assessment

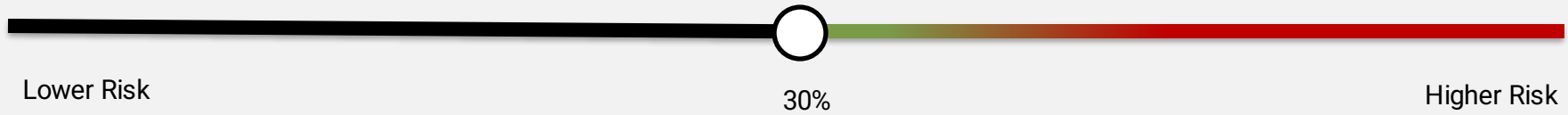
## Total Intel Exposure:

SERPLUS Balance + Intel Stock / Net Worth



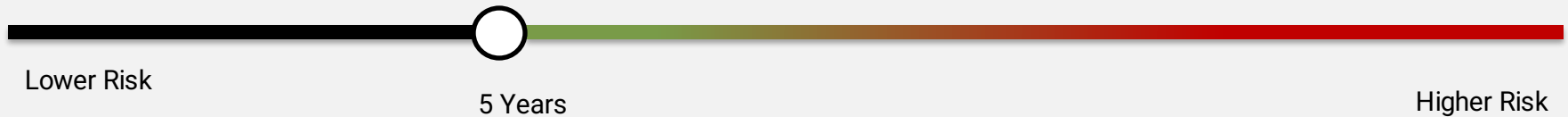
## SERPLUS as % of Net Worth:

SERPLUS Balance / Net Worth



## Distribution Timeline:

Years Until Money is Distributed

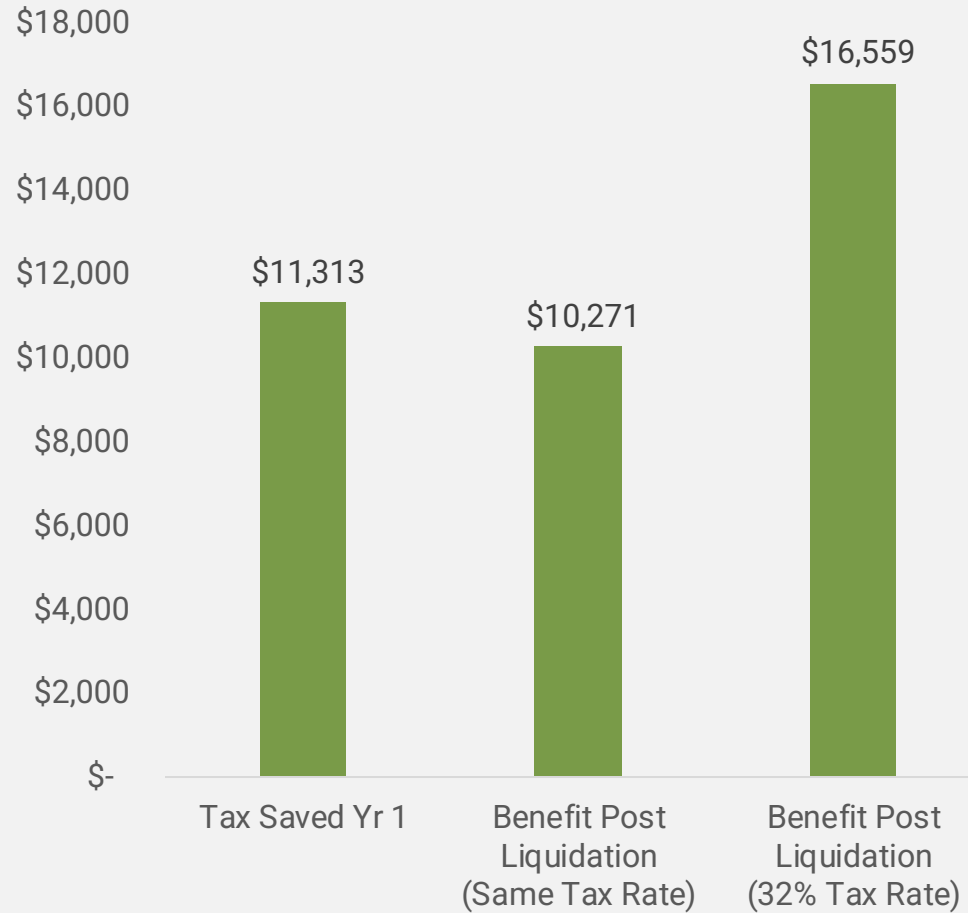


# Tax Benefits

Inputs	
Years Deferred	15
Income Tax	39.35%
Pre-Tax Return*	7.54%
After-Tax Return**	5.97%

	SCENARIO 1	
	Tax-Deferred	Taxable
Total SERPLUS Deferral	\$28,750	
Income Tax Saved Year 1	\$11,313	
Net Investable Amount	<b>\$28,750</b>	<b>\$17,437</b>
Account Balance	\$85,544	\$41,611
Tax on liquidation (lump sum)	\$33,661	\$0
After-tax value	\$51,882	\$41,611
Total Benefit Post-Liquidation	\$10,271	
Total Benefit as % of amount deferred	35.7%	



\*Pre-tax return using the Vanguard 2035 Target Date Retirement Fund (VTTHX) via Morningstar. 15 year period ending Sept. 30, 2021  
 \*\*After-tax return using the Vanguard 2035 Target Date Retirement Fund (VTTHX) via Morningstar. 15 year period ending Sept. 30, 2020.

## Making Your SERPLUS Elections

- 1 Assess Your Risk
- 2 Make Elections Based on Cash Flow Planning
- 3 Select Distribution Options

# Thank You

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