



PayPal 401(k) Savings Plan

Information for U.S. non-immigrant visa holders

PayPal wants to help you work toward your retirement savings goals. The PayPal 401(k) Savings Plan (the “401(k) Plan”) is a retirement savings opportunity available to you that can play a part in helping you prepare for your retirement years.



If you have additional questions about your 401(k) Plan’s contribution choices or would like to change your contribution election, access your 401(k) Plan account using single sign on from the [Bridge](#). Scroll down to **Take Action > Benefits Tasks > Enroll in 401(k) Savings Plan**.



workplace.schwab.com



**1-800-724-7526 or +1-330-908-4777
if outside the U.S.**

While you are on PayPal U.S. Payroll

Employees who are on PayPal U.S. payroll are eligible to participate in the 401(k) Plan. The 401(k) Plan’s provisions, features and services are the same for all who participate.

- Pre-tax contributions to the 401(k) Plan are deducted from your compensation prior to the calculation of federal and state taxes. You will not be liable for taxes on these contributions or any related earnings until you take a distribution from your 401(k) Plan account.
- Roth 401(k) contributions are deducted from your compensation on an after-tax basis. You will not be liable for taxes on these contributions or any related earnings on these contributions when the money is distributed, provided certain criteria are met.¹
- In addition to pre-tax and Roth 401(k) contributions, you may also contribute on an after-tax basis, past the annual IRS 402(g) limit. After-tax contributions and any associated earnings can be withdrawn at any time. Taxes may apply on any earnings.
- PayPal will match your PayPal U.S. payroll 401(k) pre-tax and/or Roth 401(k) contributions dollar for dollar, up to the first 4% of your compensation that you contribute in pre-tax and/or Roth 401(k) contributions. This match can be considered part of your overall U.S. benefits. Like your own pre-tax contributions, the matching contributions from PayPal (and any related earnings) will not be taxed until you take a distribution from your 401(k) Plan account. After-tax contributions are not matched.
- You may choose among different investment strategies offered in the 401(k) Plan based on your preferred investment approach.
- Your 401(k) Plan offers you access to third-party personalized advice provided by Morningstar Investment Management LLC, an independent registered investment adviser. This benefit can play a key role in your retirement savings goals.²
- While on PayPal U.S. payroll, you may take loans and in-service withdrawals from your 401(k) Plan account. (Certain conditions apply.)
- You have 100% ownership in your contributions, PayPal matching contributions and any related earnings in your 401(k) Plan account.
- Assets in the 401(k) Plan are held in a trust for the sole benefit of its participants and cannot be claimed by PayPal creditors in the event of bankruptcy or insolvency.

This hypothetical scenario illustrates, on an annual basis, the difference between contributing and not contributing to the 401(k) Plan.

	With 401(k)	Without 401(k)
PayPal compensation	\$120,000	\$120,000
401(k) Plan contribution: 10%	\$(12,000)	\$0
Taxable compensation	\$108,000	\$120,000
Income taxes: 25%	\$(27,000)	\$(30,000)
Net take-home pay	\$81,000	\$90,000

401(k) Plan		
Employee contribution	\$12,000	\$0
PayPal matching contribution: 4%	\$4,800	\$0
Total 401(k) Plan contributions	\$16,800	\$0

In this example, the participant saved \$3,000 in income tax and picked up \$4,800 in matching funds, for a net difference of \$7,800 in one year.

For illustrative purposes only.

While you are an active PayPal employee no longer on PayPal U.S. payroll

Your 401(k) Plan account balance will remain in the 401(k) Plan with PayPal and you will continue to have access via workplace.schwab.com or by calling Participant Services. While you can no longer make contributions to the U.S. 401(k) Plan, your account balance stays invested and you can change your investment allocation at your discretion (subject to prospectus requirements). The account balance will not be available for distribution until you leave the company.

Be mindful that if you have a loan at the time you leave PayPal U.S. payroll, the remaining loan balance will be due at that time. If this amount is not repaid in full within 90 days of termination, it will be deemed a distribution subject to U.S. income taxes and penalties for that year.

It is important to keep your email address current on your 401(k) account so you can receive notifications and account statements. Your PayPal email is used as the default email for notifications. If you would like to change your email address to a different one, go to the [Bridge](#). Scroll down to **Take Action > Benefits Tasks > Enroll in 401(k) Savings Plan at workplace.schwab.com. Under the **My Profile** tab, select **Communication Preferences**. If needed, click **Edit** to update your preferred email address. Then select **Edit Delivery Options** and choose **Via Electronic Services**.**

After your PayPal employment ends

No matter where you may live following your departure from PayPal, your 401(k) Plan account balance (if \$5,000 or above) can remain in your name in the PayPal 401(k) Plan until you initiate a distribution.

You will continue to have access to your 401(k) Plan account at workplace.schwab.com and can make changes to your investment allocation at your discretion (subject to prospectus requirements). For an explanation of current fees associated with your 401(k) Plan account, refer to the **Fee and Investment Notice** under the **History & Statements** section on workplace.schwab.com.

You may receive all of your balance of your 401(k) Plan account upon termination of employment. Please note: If your 401(k) Plan account balance upon termination, or at any point thereafter, is \$1,000 or less, including rollovers, you will be contacted and provided with information on the options available to you. If you do not respond, your 401(k) Plan account will be distributed to you as a single-sum cash distribution unless you select another distribution option within 90 days of termination. Taxes and penalties may apply.

If your 401(k) Plan account balance is between \$1,000 and \$5,000, Schwab Retirement Plan Services will contact you and provide you with information on the options available to you. If you do not respond, the balance will be rolled over to a Charles Schwab Trust Bank Automatic Rollover IRA and the funds will be deposited in an FDIC-insured money market deposit account.³

If your vested 401(k) Plan account balance, including rollovers, is greater than \$5,000, your balance will remain in the 401(k) Plan until you request a distribution.

You may have the choice of rolling your 401(k) Plan account balance into another U.S. employer's qualified retirement plan (while a U.S. employee at that company) or to an individual retirement account (IRA) with a U.S. financial institution. These types of rollovers may maintain the tax-deferred status of the monies until you take a distribution.⁴

For questions or for help with your account, you may call Participant Services at **1-800-724-7526** (+1-330-908-4777 outside the U.S.). Representatives are available Monday through Friday from 4 a.m. to 8 p.m. Pacific Standard Time (UTC-08:00).

Taxation of your 401(k) Plan account

At the time of distribution, your pre-tax contributions and any related earnings are considered taxable U.S. income. This distribution, combined with any other U.S. income you may have in the year you take the distribution, will be taxed at the U.S. income tax rate in effect in that year. U.S. income tax rates vary based on the level of income. If you take a distribution from the 401(k) Plan before reaching age 59½, an additional penalty of 10% may be charged.

Distribution of Roth 401(k) contributions and any associated earnings may be tax-free provided that five years have elapsed since you made your first Roth 401(k) contribution to your 401(k) Plan and you have attained age 59½, become disabled, or have died.

If you are working and living abroad at the time of distribution, there may be tax obligations in that particular country. If this is the case, it is important to consult a tax advisor so that you may understand the tax obligations of taking a distribution of your 401(k) Plan account.

Waiting to withdraw

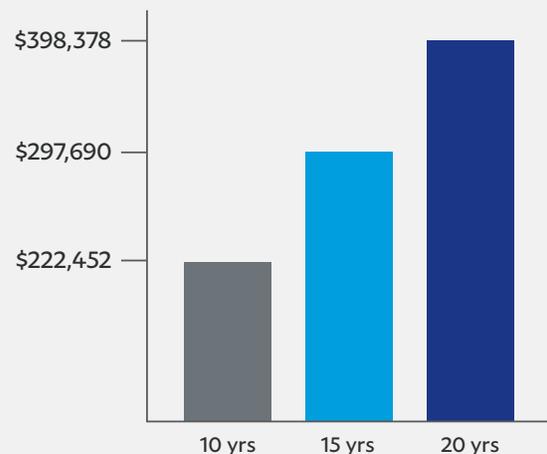
Even after you stop contributing to your 401(k) Plan account, the money remains invested. The longer it remains invested, the more it could potentially earn through the compounding of investment earnings over time. This may be a choice if you have no immediate need for the money.

For example, let's say that after contributing \$12,000 to the 401(k) Plan annually for six years, along with \$4,800 in annual matching contributions, at a hypothetical annual rate of return of 6%, your 401(k) Plan account balance has reached \$124,216.⁵

TIME REALLY IS MONEY.

If your account remains in the 401(k) Plan after you leave PayPal U.S. payroll and continues earning a hypothetical annual rate of return of 6%, you could have...⁶

Potential 401(k) Savings



Don't wait to start saving

When saving for retirement, what's the cost of waiting? When you put off saving and investing, you may be limiting potential savings over time. Ask yourself: Will I really miss that money today? Or will I be glad I put it away when I retire? The opportunity cost of not saving for retirement while on PayPal U.S. payroll could be great.

The information presented here provides basic information about the 401(k) Plan and is not a personalized recommendation. Factors to consider before contributing to the 401(k) Plan include resident alien status, anticipated length of time in the U.S., age, and your country of origin, its tax laws, and its tax treaty with the U.S. You may wish to discuss your circumstances with a professional and/or tax advisor familiar with your circumstances.



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Investment Products: Not FDIC-Insured - No Bank Guarantee - May Lose Value

This information is not intended to be a substitute for specific individualized tax, legal, or investment planning advice. Where specific advice is necessary or appropriate, you should consult with a qualified tax advisor, CPA, financial planner, or investment manager.

Information presented is for general informational purposes only and should not be considered a recommendation for any of the options presented or as personalized advice.

Tax information provided is for educational purposes only and not intended to be a substitute for specific individualized tax, legal or investment planning advice. Where specific advice is necessary or appropriate, you should consult with a qualified tax professional or financial advisor.

¹Earnings on Roth 401(k) contributions are eligible for tax-free treatment as long as the distribution occurs at least five years after the year you made your first Roth 401(k) contribution and you have reached age 59½, have become disabled, or have died.

²At the direction of the Plan Sponsor or Plan Administrator, Participants may have access to advice services that can provide Participants with a retirement savings and investment strategy for their Plan account, furnished by Morningstar Investment Management LLC, an independent registered investment adviser and subsidiary of Morningstar, Inc. Recommendations are formulated and provided by Morningstar Investment Management through Morningstar® Retirement ManagerSM an advice (non-discretionary investment advice) and managed accounts (discretionary investment advice and asset management) program which is intended for citizens or legal residents of the United States and its territories, and can be accessed through workplace.schwab.com. Morningstar Investment Management will select investment options appropriate for each Participant's strategy from the investment options available under the Plan as selected by the Plan Sponsor, Plan Administrator or other Plan fiduciary. **There is no guarantee a Participant's savings and investment strategy will provide adequate income at or through their retirement.** Morningstar Investment Management is not affiliated with or an agent of Schwab Retirement Plan Services, Inc. (SRPS); Charles Schwab & Co., Inc. (CS&Co.), a federally registered investment advisor; or their affiliates. Neither SRPS, CS&Co., nor their affiliates supervise, make recommendations with respect to, or take responsibility for monitoring the advice services provided to the Participants by Morningstar Investment Management. The Morningstar name and logo are registered marks of Morningstar, Inc.

The term "personalized advice" refers to personal participant data such as age, salary, and Plan account balance, which will form the basis by which Morningstar Investment Management will establish the Participant's savings and investment recommendations.

³FDIC Coverage: Rollover funds in the Charles Schwab Trust Bank Automatic Rollover IRA are deposited in a Federal Deposit Insurance Corporation (FDIC) insured money market deposit account at Charles Schwab Trust Bank. You may also hold deposits at one or more banks that are affiliated with Charles Schwab Trust Bank (Charles Schwab Bank and Charles Schwab Premier Bank, collectively the "Affiliated Banks"). Funds deposited at Affiliated Banks are eligible for FDIC insurance, in aggregate, up to \$250,000 per Affiliated Bank, based on account ownership category, such as individual retirement accounts or self-directed employee benefit plans (e.g. Schwab Personal Choice Retirement Account[®]). You are responsible for monitoring the total amount of deposits you hold with the Affiliated Banks. Because the deposit insurance rules are complex, you may want to use the FDIC's online tool Electronic Deposit Insurance Estimator (www.fdic.gov/edie) to estimate your total coverage.

Schwab Personal Choice Retirement Account (PCRA) is offered through Charles Schwab & Co., Inc. (Member SIPC, www.sipc.org), the registered broker/dealer, which also provides other brokerage and custody services to its customers.

⁴When a participant rolls a Roth 401(k) balance to a new Roth IRA, the five-year qualification period may start over. This may impact the rollover decision. If the participant has an established Roth IRA, then the qualification period is calculated from the initial deposit into the IRA and the rollover will be eligible for tax-free withdrawals when that five-year period has ended (and the age qualifier has been met).

⁵Hypothetical data are for illustrative purposes only and are not intended to represent past or future performance of any specific investment. Investing involves risk, including loss of principal. The 401(k) Plan balance stated represents participation in the 401(k) Plan for six years, annual compensation of \$120,000, contributions of \$1,000 per month or \$12,000 per year, and the employer matching contribution of 4% of annual compensation. This example assumes a hypothetical annual rate of return of 6%; returns assume reinvestment of dividends and capital gains, and no current taxes paid on earnings in a retirement plan account. Schwab Retirement Plan Services, Inc. does not provide tax or legal advice.

⁶Hypothetical data are for illustrative purposes only and are not intended to represent past or future performance of any specific investment. Investing involves risk, including loss of principal. The balances show a beginning 401(k) Plan account balance of \$124,216 and investment periods of 10, 15, and 20 years. This example assumes a hypothetical annual rate of return of 6%; returns assume reinvestment of dividends and capital gains, and no current taxes paid on earnings in a retirement plan account. Schwab Retirement Plan Services, Inc. does not provide tax or legal advice.

The Charles Schwab Corporation provides services to retirement and other benefit plans and participants through its separate but affiliated companies and subsidiaries: Charles Schwab Trust Bank; Charles Schwab Bank, SSB; Charles Schwab & Co., Inc.; and Schwab Retirement Plan Services, Inc. Trust, custody, and deposit products and services are available through Charles Schwab Trust Bank and Charles Schwab Bank, SSB, Members of FDIC. Brokerage products and services are offered by Charles Schwab & Co., Inc. (Member SIPC, www.sipc.org).

Schwab Retirement Plan Services, Inc. provides recordkeeping and related services with respect to retirement plans and has provided this communication to you as part of the recordkeeping services it provides to the Plan.