



# 401(k) PLAN TRUE-UP FREQUENTLY ASKED QUESTIONS

PayPal offers a “true-up” benefit to participants of the PayPal 401(k) Savings Plan (the “Plan”). Below are some questions and answers that may help you better understand this feature that can help you work toward your retirement savings goals.

## What is our current 401(k) match?

PayPal matches your contributions, up to 4% of your eligible compensation, in the pay periods in which you make contributions, to a maximum of \$11,000 in 2018. Eligible compensation includes base salary, hourly earnings, overtime pay, sales incentives and bonus payouts.

Employer contributions are paid on a pre-tax basis and may be taxable at withdrawal.

## What is the true-up feature?

The true-up feature of the match ensures that you receive the maximum company match if you contribute at least 4% of your eligible compensation for the year—regardless of the timing of your deposits. With the true-up, PayPal will look back at your year-to-date (YTD) contributions. If your contributions qualify for any match that you didn't receive on a per-pay-period basis, PayPal will add money to your Plan account to match your YTD contributions.

## Is PayPal required to make this true-up calculation?

No, there is no requirement for the company to make these additional deposits to your 401(k) account. Our intent is for employees to receive the maximum match possible—so PayPal has decided to provide this true-up benefit to make sure you receive the maximum match available to you.

## Who is eligible for the true-up?

Anyone who has contributed to the Plan during the year is eligible, and the calculation is performed on all accounts each pay period.

## How is the true-up payment calculated for contributions made this year?

The calculation looks at your YTD Plan contributions as a percentage of your YTD eligible compensation, and calculates the match (100% of the first 4%). If the match you would have received on a per-pay-period basis would have been less, PayPal will contribute the larger amount on the same paycheck.

## Where do I go if I still have questions?

For more information, check out the **Bridge** or call Schwab Retirement Plan Services, Inc. at **800-724-7526**. Participant Services Representatives are available from 4 a.m. to 7 p.m. PT, Monday through Friday. You can access your Plan account using Single Sign On by going to the **Bridge > MyHR > Quick Links > Access 401(k) Account**. Information can also be found in the **Education Guide**.

This information is not intended to be a substitute for specific individual 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.

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.

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