



Program Guidelines

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## EMPLOYEE STOCK PURCHASE PLAN – GENERAL INFO

### **What Is The Employee Stock Purchase Plan?**

The Employee Stock Purchase Plan (ESPP) is a unique employer-sponsored financial benefit provided by many publicly traded companies. ESPPs are a way for companies to provide additional compensation or savings opportunities to their employees. In this way, they are very similar to 401(k) plans, except the savings are accessible immediately, not only after retirement.

### **How Does The ESPP Work?**

The reason that ESPPs are such a fantastic financial benefit is that they enable employees to purchase their company's stock at a 15% discount. The shares are completely unrestricted, meaning they can be held or sold at market value any time.

Your ESPP is administered in 3-month periods which align with the financial quarters of the calendar year. For example, the first period of the year runs from January 1<sup>st</sup> to March 31<sup>st</sup>. At the end of that quarter, any money you have contributed to your ESPP is automatically used to purchase shares at a 15% discount. Please see the Section titled "FundMyESPP Timeline" for more details on this process.

The ESPP is also beneficial for your employer. Every company that offers an ESPP wants to have as high a participation rate as possible.

### **Funding the ESSP**

ESPPs are funded via payroll deductions. Contributions from the employee's paycheck are the only way to fund the plan. You select an amount to be deducted from your paycheck prior to the start of a Quarter, and an identical amount is deducted each pay period during that quarter.

At the end of the Quarter, the total amount deducted is automatically used (via a brokerage account) to purchase the company stock at a 15% discount. This process can be repeated each Quarter, or the contribution amount can be increased or decreased if you so choose.

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If you can afford to contribute to your own ESPP, we would highly recommend you do so. It is a fantastic savings opportunity with a guaranteed return of **at least 15%** on your money.

Despite this, less than 30% of eligible employees are currently taking advantage of the program. We believe there are several reasons for such low participation:

- 1) Employees do not know they are eligible or do not understand the program
- 2) Employees do not feel comfortable having a portion of each paycheck unavailable for a Quarter
- 3) Employees simply cannot afford to contribute

**The goal of FundMyESPP is to increase participation in ESPPs and maximize the earnings of every employee by addressing all 3 of the issues above. On the following pages, you'll see exactly how we do it.**

## THE FUNDMYESPP PROGRAM – GENERAL INFO

### What FundMyESPP Offers

The FundMyESPP program is designed to assist employees in taking advantage of their own ESPP. FundMyESPP eliminates the burden of funding the ESPP with payroll deductions by lending the employee the exact amount that will be deducted.

If you want to contribute \$500 per paycheck to your ESPP, FundMyESPP will lend you the \$500 prior to it being deducted from your check. This way, you are still able to receive the 15% benefit offered by your employer, but you do not have to pay **anything** out of pocket.

FundMyESPP offers two options for funding which are explained in detail in the Section titled “Standard vs Advanced”.

In return for funding your contributions in advance, FundMyESPP receives a portion of the profits from your ESPP. You pay no money out of pocket, can receive multiple paychecks in advance, and will still profit at the end of each quarter. More details on how much money you can make can be found in the Section titled “Expected Profit and Distribution”.

## THE FUNDMYESPP PROGRAM – REGISTRATION AND FUNDING REQUEST

### **Registration**

The first step in participating in the FundMyESPP program is to register at our website: [FundMyESPP.com](https://FundMyESPP.com). Registration is free with no commitments. Registering is not the same as enrolling in your ESPP; it is simply a way for you to access more information and be added to our email list so we can answer any questions you may have.

### **Funding Request**

After you've registered, you'll be given the option to request funding for your ESPP. Again, this is non-committal and is not the same as enrolling in your ESPP. Filling out a Funding Request will allow you to see how much money you can make by participating and let us know that you are interested in the program. After you submit your request, we will review it and offer you funding or follow-up with some additional questions.

In order to align with the ESPP, our program is administered in 3-month periods. This means you will have the opportunity to request new funding each Quarter at the same amount or for more/less if you chose. Each Quarter, and each Funding Request, is independent from one another.

After your request is reviewed and an offer is made, you will still have the opportunity to accept or decline. If you choose to move forward, the next step is to enroll in your employer's ESPP.

## THE FUNDMYESPP PROGRAM – STANDARD VERSUS ADVANCED

### **Standard FundMyESPP**

When requesting funding, you will see that FundMyESPP offers two different options. Both options are zero-cost and will guarantee profit every quarter if you follow the FundMyESPP recommendations. The first option is “Standard”. The Standard option is best if you want to maximize the amount of money you will earn for the Quarter. If you request the Standard option, you will receive funding prior to each paycheck for the exact amount that will be deducted from your check.

For example, if the Quarter has 6 pay periods, and you elect to contribute \$500 each paycheck to your ESPP, FundMyESPP will pay you \$500 on the Monday before each pay day for 6 consecutive checks. Your employer will deduct \$500 from each of those paychecks to contribute to your ESPP. At the end of the Quarter, you will have contributed a total of \$3,000 (\$500 X 6), which will instantly earn you approximately \$450 to be split between you and FundMyESPP.

### **Advanced FundMyESPP**

The Advanced option is best if you want to get multiple payments up-front, essentially an advance on your pay. This option should be used if you need money now for bills or emergencies, and you are OK with earning less profit for the Quarter.

For example, if the Quarter has 6 pay periods, and you elect to contribute \$500 each paycheck to your ESPP, FundMyESPP will pay you \$3,000 one time, on the date of your first check of the Quarter. Your employer will deduct \$500 from each of those paychecks to contribute to your ESPP. At the end of the Quarter, you will have contributed a total of \$3,000 (\$500 X 6), which will instantly earn you approximately \$450 to be split between you and FundMyESPP. However, your portion of the split will be slightly less than if you selected the Standard option.

**Remember, both options will cost you nothing and will guarantee you a profit for the Quarter. You can choose a different option each Quarter, if that best suits your needs.**

For more details on the expected profit, please see the Section titled “Expected Profit and Distribution”.

## THE FUNDMYESPP PROGRAM – ESPP ENROLLMENT

### **Enrolling in your Employee Stock Purchase Plan**

FundMyESPP operates independently from your employer’s ESPP. This means that after you register and request funding through FundMyESPP, you will still have to enroll via your company’s Self-Service link. It is your responsibility to match the contribution amounts with the amount you have requested from FundMyESPP. Please review the detailed Enrollment Instructions found [HERE](#).

Your Enrollment will be automatically rolled forward each Quarter unless you manually make changes. If you wish to stop contributions, or increase or decrease the amount of your contribution, you must re-enroll to make the change.

**The deadline for ESPP Enrollment is always the 15<sup>th</sup> of the month prior to the start of a new Quarter. The Enrollment deadlines are the same every year;**

**December 15<sup>th</sup>  
March 15<sup>th</sup>  
June 15<sup>th</sup>  
September 15<sup>th</sup>**

### **Enrollment Verification**

FundMyESPP has no way to verify that you have properly enrolled in your ESPP, so we require that you upload an image your first paycheck of the Quarter, which will show the contribution amount as a deduction. Once we see this verification, we will pay you immediately. Every subsequent payment (Standard option only) will be made PRIOR to your actual pay day.



## THE FUNDMYESPP PROGRAM – PAYMENTS DURING THE PERIOD

### **What needs to be done during the Quarter?**

After you've requested funding, enrolled in your ESPP, and sent us verification of your first paycheck, you do not have to do anything until the end of the Quarter. Whether you've chosen the Standard or Advanced option, you will receive your payment(s) automatically.

### **Payment Method**

All payments from FundMyESPP will be made via Zelle®. Zelle® is the fastest and easiest way to send payments and is already integrated with hundreds of banks and credit unions. Even if you have never used Zelle® before, your payments will be received and available in your bank account on the same day that we send them. You do not need to provide us with your account information, and we will not have access to your banking info. You can find more information about Zelle® on their website [HERE](#).

Please contact us if you would like to request a different method to receive your payments.

## THE FUNDMYESPP PROGRAM – EXPECTED PROFIT AND DISTRIBUTION

### **ESPP Profit Calculation**

All information published by FundMyESPP relative to profit (sometimes referred to as savings, earnings, return, etc...) is based on the assumption that the shares purchased via ESPP will be **SOLD IMMEDIATELY** at market price. Selling your shares is not a requirement for participation in the FundMyESPP program. However, it is recommended in order to recoup your contribution amount (plus 15% profit), which can be used to pay back your loan.

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If all shares are not sold immediately, your ESPP balance will be impacted by changes in the company stock price. Regardless of if/when shares are sold, or what the stock price is when they are sold, all parties will be bound by the terms of the agreement executed prior to the start of the Quarter.

Assuming all shares are sold as recommended, the ESPP profit can be calculated as follows:

$$\left( \frac{\text{Total Contribution Amount}}{0.85} \right) - \text{Total Contribution Amount} = \text{Profit}$$

For example, if you elect to contribute \$500 per paycheck, for 6 pay periods, the profit would be calculated as follows:

$$\left( \frac{\$3,000}{0.85} \right) - \$3,000 = \$529$$

In other words, your total contributed amount of \$3,000 *instantly* becomes worth \$3,529 when the 15% discounted purchase price is applied. The total profit for the Quarter is \$529, which is then split between you and FundMyESPP.

### Profit Distribution

As mentioned previously, you are under no obligation to sell your ESPP shares, and the profit distribution outlined below is the FundMyESPP recommendation for how to use your earnings. Funding through FundMyESPP is technically a loan, with principal and interest due according to the terms of the promissory note. If you follow the guidelines below, you will be able to pay back the principal and interest using your ESPP profit AND keep profit for yourself AND pay any tax liability that you may incur (see Section “Tax Implications” for more info).

In both the Standard and Advanced options, it is recommended that 15% of the total profit be kept to cover potential tax liability.

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If you select the Standard option, you will owe 7.5% interest on your total funded amount. Using the example above, the distribution is as follows;

Funded Amount:	\$3,000	
Total profit from ESPP:	\$529	
Your portion for Tax:	\$79	<i>15% of total for tax</i>
Your Profit	\$225	<i>50% of remaining for you</i>
<b>Your Total:</b>	<b>\$304</b>	
FundMyESPP Interest:	\$225	<i>50% of remaining as interest to FundMyESPP</i>
<b>Total Amount Owed to FundMyESPP:</b>	<b>\$3,225</b>	

If you select the Advanced option, you will owe 9.0% interest on your total funded amount. A higher interest rate is charged because you will have received the entire contribution amount up-front in one payment. Using the same example, the distribution is as follows;

Funded Amount:	\$3,000	
Total profit from ESPP:	\$529	
Your portion for Tax:	\$79	<i>15% of total for tax</i>
Your Profit	\$180	<i>40% of remaining for you</i>
<b>Your Total:</b>	<b>\$259</b>	
FundMyESPP Interest:	\$270	<i>60% of remaining as interest to FundMyESPP</i>
<b>Total Amount Owed to FundMyESPP:</b>	<b>\$3,270</b>	

In all scenarios, if you follow the recommendations as outlined by FundMyESPP, you will receive funding in advance of your paychecks, have no out of pocket costs, and guarantee yourself enough profit each quarter to pay for taxes, pay back your loan, and take home some extra cash.

## THE FUNDMYESPP PROGRAM – TAX IMPLICATIONS

### **Tax Implications**

Participation in your ESPP will likely create a tax liability for you, which will vary based on individual circumstances, whether you participate in the FundMyESPP program or not. It is recommended that you research this topic independently, and/or consult a tax professional. FundMyESPP has provided guidelines by which 15% of total profit is allocated to cover potential tax liability. However, this amount may or may not cover the full amount owed.

## THE FUNDMYESPP PROGRAM – REPAYMENT

### **Timing of Repayment**

During the first week of the month following the end of the Quarter for which you are participating in the ESPP, your total contributed amount will be automatically used to purchase shares at the discounted price. For example, if you are participating in the ESPP for the 1<sup>st</sup> Quarter, January through March, then the purchase will take place during the first week of April. This action will be done by your plan administrator (Fidelity), and if it is your first time using the ESPP, a new account will be created for you to hold the shares.

You will not see the amounts in your account during the quarter, even though they are being withheld from your paychecks. The amount is only visible once the purchase is made by Fidelity. Using the same example as above, you will not see any of your \$3,000 contribution during the Quarter. Then, during the first week of April, you will instantly see \$3,529 worth of company stock in your brokerage account.

At that time, it is recommended that you sell the stock and transfer the proceeds to your bank account or other financial institution. Full instructions on how to Sell and Transfer funds can be found [HERE](#).

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Repayment of your FundMyESPP loan will then be due by the end of the same month. For example, if you are participating in the ESPP for the 1<sup>st</sup> Quarter, January through March, then full repayment of principal plus interest would be due by April 30<sup>th</sup>. This due date is effective whether or not you elect to sell your shares as recommended.

### **Method of Repayment**

The preferred method of repayment is Zelle®. However, FundMyESPP will accept payment via any digital payment processor, bank transfer, wire transfer, or personal check as well. All payments should be sent/mailed/addressed to the following contact:

FundMyESPP

PO Box 1630

West Caldwell, NJ 07007

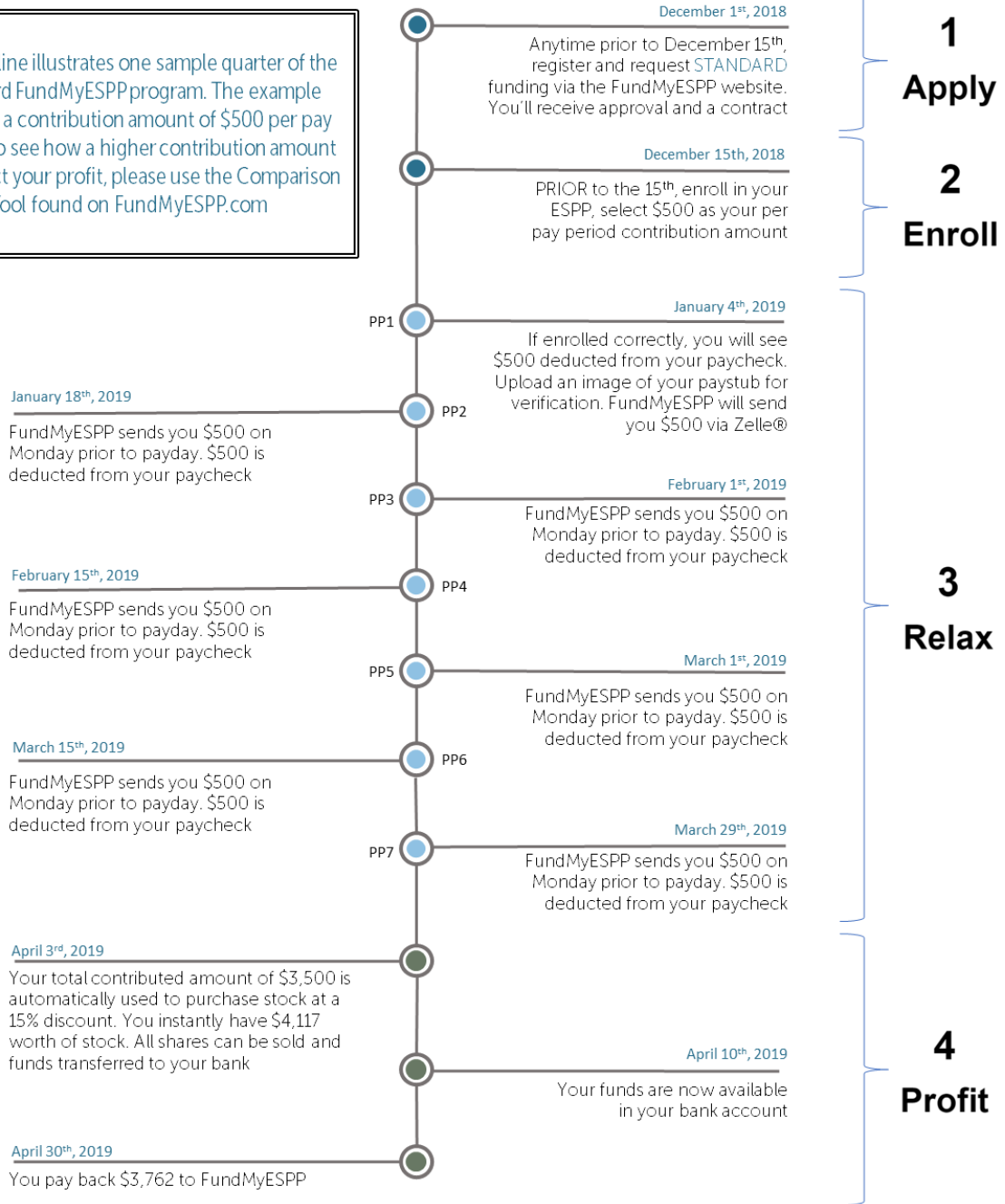
[support@fundmyespp.com](mailto:support@fundmyespp.com)

1-833-639-3777

# Program Guidelines

## THE FUNDMYESPP PROGRAM – TIMELINE

This timeline illustrates one sample quarter of the Standard FundMyESPP program. The example assumes a contribution amount of \$500 per pay period. To see how a higher contribution amount will impact your profit, please use the Comparison Tool found on FundMyESPP.com

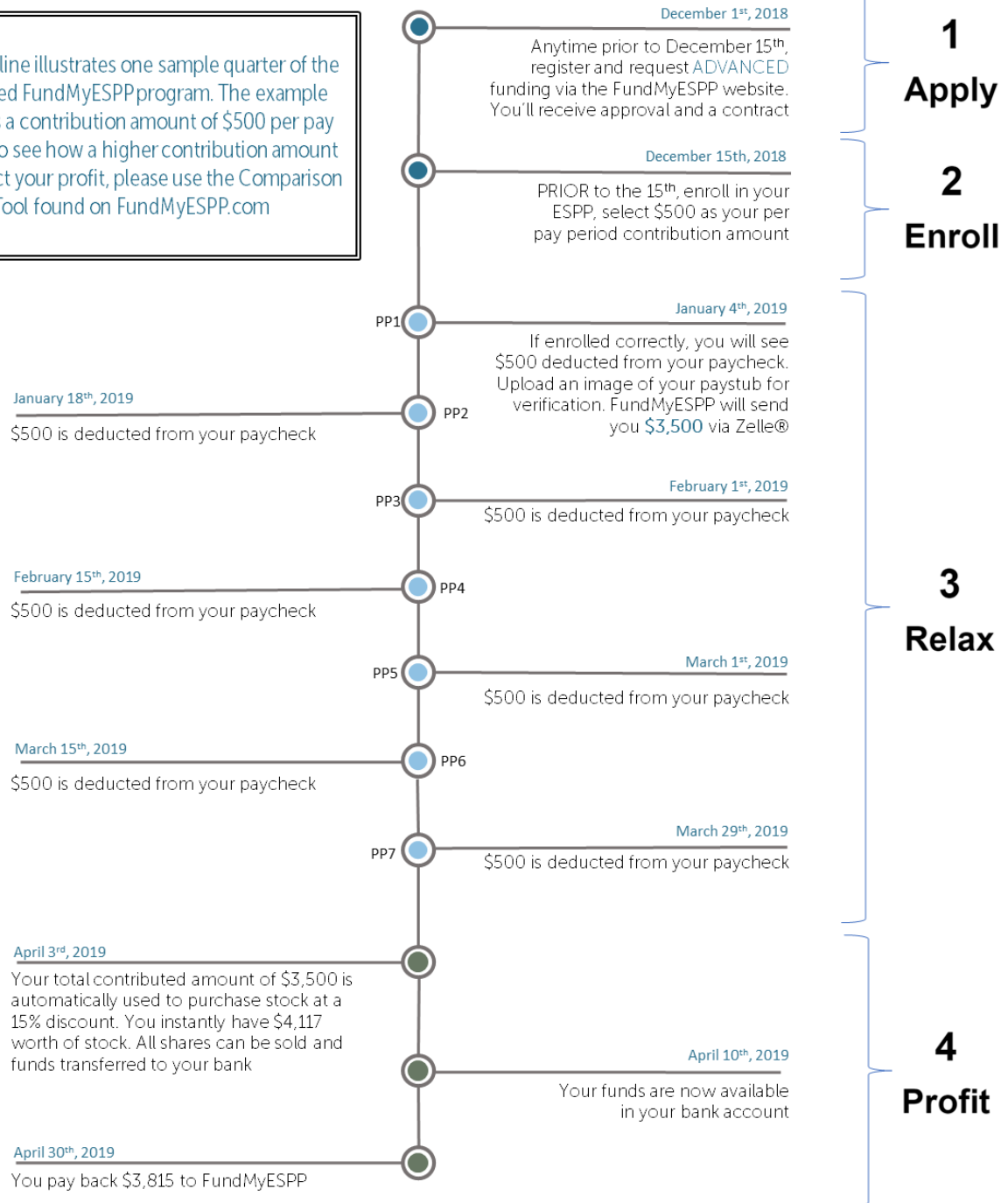


You've made an extra \$355 AND received a portion of your paycheck early every 2 weeks!

# Program Guidelines

## THE FUNDMYESPP PROGRAM – TIMELINE

This timeline illustrates one sample quarter of the Advanced FundMyESPP program. The example assumes a contribution amount of \$500 per pay period. To see how a higher contribution amount will impact your profit, please use the Comparison Tool found on FundMyESPP.com



You've received 3 months of pay in advance AND made an extra \$302!

## Program Guidelines

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