Welcome to Your Nike Employee Financial Playbook

BY: AARON WIEGMAN, CFP®

Every Nike employee's financial journey is unique, shaped by individual goals, compensation choices, and life transitions. The decisions you make about your benefits, investments, and long-term protection can have a lasting impact on your family and future.

This guide is designed as more than just an overview—it's a Nike-specific resource filled with scenarios, actionable steps, and practical tools. Our goal is to help you make the most of every benefit, stay prepared for unexpected changes, and approach each financial year with confidence and clarity.

Know Your Pay Mix

Nike compensation blends cash and equity:

BASE SALARY

Your bi-monthly paycheck for baseline cash flow.

PERFORMANCE SHARING PLAN (PSP)

A cash bonus that targets 5-30% of your salary based on the company's performance throughout the fiscal year.

STOCK COMPENSATION

Every August, you'll receive stock awards, which can be in the form of Restricted Stock Units (RSUs), Non-Qualified Stock Options (NSOs), or an even mix of both. You have the flexibility to choose your preferred award type, and we will further discuss the factors to consider when making this decision.

QUICK WINS

1. Log in to the Nike Total Rewards portal and download last year's compensation summary.
2. Break down the percentage of your total compensation from cash vs. equity.

Nike 401(k) Plan: Your Path to a Brighter Financial Future

Ready to make the most of your retirement savings? Here's a quick look at the fantastic benefits offered by the Nike 401(k) Plan:

UNLOCK FREE MONEY WITH THE 5% MATCH

Don't leave money on the table! Nike offers a generous 5% match on your contributions, so be sure to contribute at least enough to get this "free money" for your retirement.

TRADITIONAL 401(K): DEFER TAXES AND SAVE TODAY

Opt for pre-tax traditional contributions to lower your taxable income now. You'll pay taxes later when you withdraw funds in retirement.

ROTH 401(K): TAX-FREE GROWTH FOR YOUR FUTURE SELF

If you're younger, in a lower tax bracket, and anticipate higher earnings down the road, Roth contributions could be your secret weapon. Pay taxes on your contributions today, and then enjoy tax-free growth and distributions in retirement!

CONTRIBUTION LIMITS FOR 2026

You can contribute up to $24,500 in 2026. If you're 50 or older, you can add an extra "catch-up" contribution of $8,000. For those aged 60-63, that catch-up amount increases to a substantial $11,250!

Note: starting in 2026, catch-up contributions for high earners (over $150,000) must be made on a Roth basis.

MEGA BACKDOOR ROTH: SUPERCHARGE YOUR ROTH SAVINGS

This advanced strategy allows you to make after-tax contributions up to 3% of your salary (up to $10,500), on top of your other contributions.

- Initially, these are after-tax contributions, so there's no immediate tax advantage.
- Then, you convert these contributions to a Roth account. Any growth before the conversion will be taxable.
- Once converted, your Roth funds grow completely tax-free, and you can enjoy tax-free distributions in retirement. It's a powerful way to boost your tax-free retirement nest egg!

THE BREAKDOWN:

45 y/o employee, 200k income, maximizing savings

Employee Contribution	$24,500
Nike 5% Match	$10,000
Mega-Back Door Roth	$6,000
	$40,500

COACH'S CORNER:

Did you know you can use the Fidelity Brokerage link to expand your investment options beyond the funds in the plan?

Maximizing Your Nike HSA: A Guide to Triple Tax Advantages

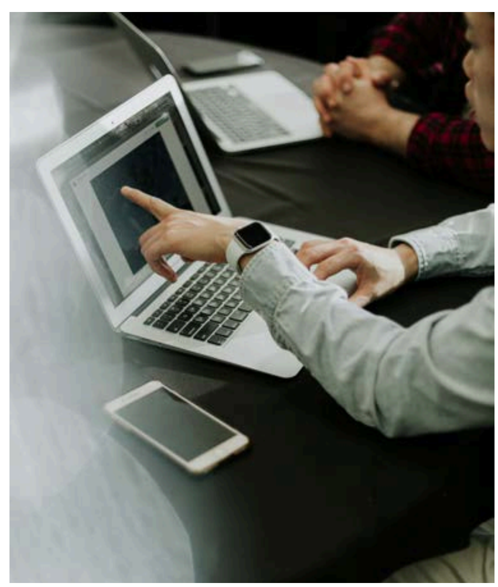
A Health Savings Account (HSA) offers unique financial benefits, making it a powerful tool for managing healthcare costs and saving for the future. When utilized effectively, an HSA provides triple tax advantages: tax-deductible contributions, tax-deferred growth, and tax-free withdrawals for qualified medical expenses. The funds in your HSA continue to grow even if unused, and the account is fully portable, remaining yours if you leave the company.

ELIGIBILITY AND CONTRIBUTION LIMITS:

To participate, you must be enrolled in Nike's HSA-qualified high deductible health plan. The maximum contribution in 2026 for self-only coverage is $4,400, and for family coverage, it's $8,750. Individuals aged 55 and older can contribute an additional $1,000 catch-up contribution.

STRATEGIC APPROACHES TO YOUR HSA:

- **Pay Out-of-Pocket for Current Expenses:** Consider paying for immediate medical expenses directly, allowing your HSA funds to grow tax-free. Build a cash buffer to cover your deductible and invest the remaining funds for long-term growth.
- **Save Receipts for Future Reimbursement:** By paying out-of-pocket, you can save your receipts and reimburse yourself from your HSA years later. This strategy allows your funds to benefit from extended tax-free compounding.
- **Post-65 Flexibility:** After age 65, HSA funds can be used to pay for most Medicare premiums. Additionally, you can use the funds for non-medical expenses, though these withdrawals will be taxed at your ordinary income rate.



Nike Employee Stock Purchase Plan (ESPP) Overview

The Nike ESPP allows eligible employees to purchase company stock at a discounted rate through after-tax payroll deductions.

Key Features:

CONTRIBUTION LIMIT

You can contribute up to 10% of your eligible pay. The maximum purchase is the lesser of $25,000 or 500 shares of Nike stock each year.

DISCOUNTED PURCHASE PRICE

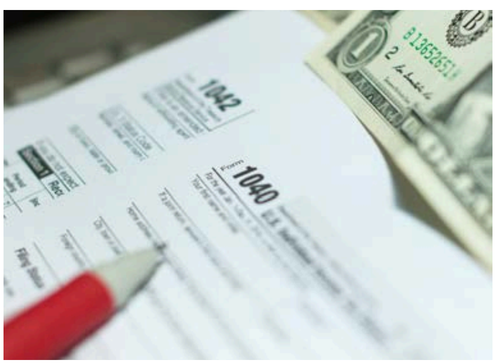
Shares are purchased at a 15% discount from the lower of the market price at the beginning or end of each offering period.

EXAMPLE If the stock is $60 on April 1st and $80 on September 30th, your purchase price would be $51/share ($60 - 15% discount).

Tax Implications

AT PURCHASE

No taxes are due.



AT SALE

Tax treatment depends on how long you hold the shares.

- **Qualifying Disposition:** If shares are held for at least two years from the start of the offering period AND one year from the purchase date:
  - The discount received is taxed as ordinary income.
  - Any additional gain is taxed at long-term capital gains rates.
- **Disqualifying Disposition:** If the above holding criteria are not met, you do not qualify for preferential tax treatment. Both the discount and any gains will be treated as ordinary income.

What's the play?

PARTICIPATE AND REALIZE THE DISCOUNT

The 15% discount offers an immediate, relatively low-risk gain if shares are sold shortly after purchase. Consider using these funds to build an emergency fund, pay down debt, or diversify your investments for future financial goals.

STRATEGIC HOLDING FOR TAX OPTIMIZATION

For those comfortable with more risk and aiming for long-term capital gains treatment, consider holding shares for at least two years from the offering period start and one year from the purchase date. Be mindful of investment concentration and overall risk. Align sales with years where you anticipate a lower tax bracket, if possible.

Equity Compensation

Nike's equity compensation program offers employees an annual choice between Restricted Stock Units (RSUs), Non-Qualified Stock Options (NSOs), or a 50/50 blend of both. Each option features unique mechanics, tax implications, and optimal use cases.

RSUs

- Units that convert into Nike stock over a 4 year vesting period.
- Upon vesting, their value is simply the market price of Nike stock.
- Simpler tax treatment and less risky, as they will vest with value if the stock price is above $0.

NSOs

- Give the right to buy Nike shares at a fixed price (strike price), typically the market price at grant. They also vest over 4 years.
- They only have value if, when exercised, Nike's market price is above the strike price. If below, the options are worthless.
- Because of the embedded risk, employees will often get more NSOs than RSUs for equal grants. Sometimes 3:1 or 4:1.
- You have more control over the timing of exercise and taxable income.
- Upside only if the price grows. See the chart below for comparison.

COACH'S CORNER:

Don't let your options expire with value. Consider tracking your grants and exercise over time to help smooth out taxes instead of scrambling at 9 years and 11 months.

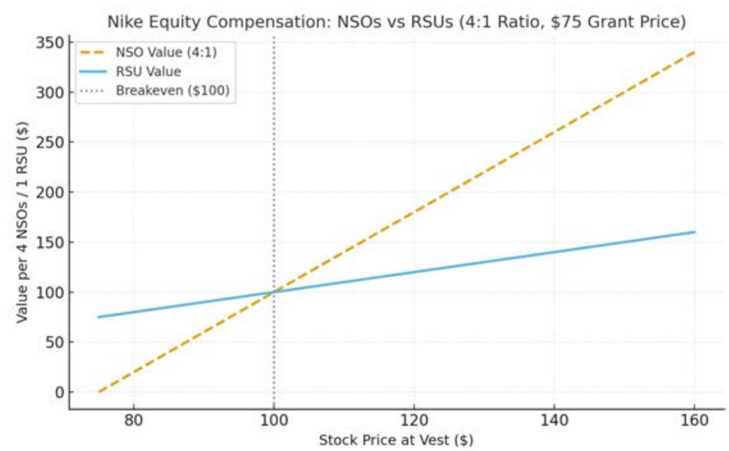


Chart above is hypothetical and not based on actual outcomes and makes no guarantees. The chart is intended for informational purposes only and is being used to illustrate a comparison of RSU vs NSO based on upside. All investments involve risk, including the risk of losing your principal investment.

TAXATION

Type	When Taxed	Tax Details
RSU	At vesting	Value taxed as ordinary income (taxes withheld at supplemental wage rate: 22% up to $1M, then 37%)
	When sold	Further capital gains/losses are calculated from vesting price
NSO	At exercise	Spread (market price at exercise minus strike price) taxed as ordinary income; employer will typically withhold taxes, but you may owe more
	When sold	Any additional gain/loss after exercise taxed as capital gain/loss

When evaluating your equity compensation, keep the following in mind:

RISK TOLERANCE

RSUs offer a more predictable value, while Non-Qualified Stock Options (NSOs) require stock appreciation to be profitable. Assess your comfort level with this difference.

LONG-TERM EMPLOYMENT

NSOs need to be exercised, especially upon leaving the company (within 90 days). Consider your future career plans with Nike when you make your election.

PORTFOLIO DIVERSIFICATION

NSOs can lead to a higher concentration of Nike stock in your portfolio. Plan for appropriate diversification strategies.

FINANCIAL PLANNING

Coordinate RSU vesting and NSO exercises with your cash flow needs, tax projections, and significant life events.

MANAGING CONCENTRATION

If you already have a high concentration of Nike stock, consider selling RSUs as they vest and regularly exercising options. Explore alternative investment strategies to manage appreciated shares.

COACH'S CORNER: ADVANCED INVESTMENT STRATEGIES

Explore sophisticated strategies like exchange funds, direct indexing, option overlays, and long-short equity. These should be implemented as part of a comprehensive and coordinated investment plan.

COACH'S CORNER: HARVEST TAX LOSSES

Review the cost basis of your current shares. If you hold shares purchased or vested at higher prices, current market values might allow you to realize tax losses, which can then be used to offset gains or diversify your portfolio.

Deferred Compensation Plan (DCP)

What are the rules of the game?

ELIGIBILITY

Available to employees with base salary over $150,000.

DEFERRAL OPTIONS

Choose at open enrollment to defer up to 75% of next year's base salary and 100% of the following year's Performance Sharing Plan (PSP) bonus.

TAX ADVANTAGE

Deferred funds reduce current year taxable income and grow tax-deferred until distribution, often taken in retirement, when you're likely in a lower tax bracket.

DISTRIBUTION CHOICES

You can pick lump sum, or installment payments (quarterly up to 5, 10, or 15 years)— distribution elections can be changed each year, giving flexibility for aligning with retirement, relocation, or other financial needs.

INVESTMENT GROWTH

Deferred amounts can be invested within plan options (mutual funds, etc.), compounding tax-deferred until withdrawal.

Game Strategy Options?

COORDINATE WITH YOUR 401(K)

Max out your 401(k) and HSA before deferring into DCP. These accounts have less restriction and better creditor protection than nonqualified deferred comp.

EARLY RETIREMENT OR RELOCATION

Elect installment distributions from DCP to fund "bridge years" between Nike exit and starting Social Security, or take lump sum after relocating to a state with no income tax.

MANAGE CASH FLOW AND LIQUIDITY

Deferring large amounts can limit available cash in the current year, so ensure you have sufficient reserves, and consider supplementing short-term needs through RSU or ESPP sales.

COORDINATE DISTRIBUTIONS

Plan the sequence of withdrawals from DCP, 401(k), IRAs, and Social Security to even out income and avoid spikes that raise your tax rate.

UNDERSTAND THE RISKS

Non-qualified deferred comp plans are unsecured. If Nike were to be in financial trouble, your funds could be at risk.

CAREER CHANGE

Separation from Nike will begin distributions from the plan that may not be ideal if you have a new job and salary already. Keep that in mind if you think you might switch teams.

COACH'S CORNER:

Nike's DCP can be a powerful tax and retirement planning tool for executives when integrated with 401(k), HSA, and stock compensation for optimal income smoothing, tax savings, and retirement security. Consider working with a financial planner to create a coordinated strategy tailored to your career and financial goals.

Charitable Giving Programs

Nike's charitable giving program is generous, empowering employees to amplify their impact through dollar-for-dollar and in some cases double matching, with flexible ways to give, including cash, donor-advised funds (DAF), and appreciated stock.

RULES OF THE GAME:

- Nike matches up to $25,000 per calendar year for eligible employee donations to most nonprofits, schools, health, arts, and cultural organizations.
- On Giving Tuesday, Nike provides a 2:1 match for all donations made that day.
- Employees can earn $10 per hour for their volunteer time, up to $2,500 per year, which can be directed to charitable organizations of their choice.

WAYS TO GIVE:

- Cash donations are matched dollar-for-dollar, the most straightforward way to give.
- Donor-Advised Funds (DAF):
  - Nike matches charitable gifts made from a DAF, allowing employees to gift appreciated stock into the DAF first, and then direct those funds to nonprofits for enhanced flexibility and potential tax savings.
  - DAF contributions get an immediate tax deduction, and the match applies when the DAF sends the donation to the charity.
- Appreciated Stock: Employees can transfer appreciated stock (including vested RSUs, ESPP, or outside shares) to a charity and receive a charitable deduction for the fair market value if held over one year, while avoiding capital gains tax.

STRATEGIC TIPS TO CONSIDER:

- Maximize match by scheduling donations on Giving Tuesday (2:1 Match).
- Contribute appreciated stock or use DAF for maximum tax savings.
- Avoid capital gains and get a deduction for full market value.
- Bundle gifts into DAF for years with high income or bonuses to offset taxes.
- Utilize volunteer grants by logging all qualified hours to increase charitable support.
- Check eligibility: donate to qualifying organizations; sport-related nonprofits receive a higher match.

Exit Planning: What should I know if I am leaving Nike?

NIKE EQUITY COMPENSATION

- Exercise NSOs before leaving: Unexercised non-qualified options expire soon after departure (90 days) —don't lose them.
- Plan RSU sales: Vested RSUs remain yours; sell or diversify to avoid too much Nike stock exposure.

DEFERRED COMPENSATION

- Select long-term installments (10–15 years): This spreads out income and avoids tax spikes. If possible, move to a low-tax state before beginning payouts for added tax efficiency.

RETIREMENT ACCOUNTS

- Max out 401(k) and use the Mega Backdoor Roth: Capture all company matching and after-tax savings.
- Coordinate distributions: Plan withdrawals with Social Security and RMDs for a smooth income stream.

CHARITABLE GIVING

- Leverage Nike's $25k annual match: Donate cash, appreciated stock, or DAF funds for full match and tax benefits.

HEALTHCARE & HSA

- Use HSA balances for post-Nike qualified medical expenses, or as a supplemental retirement asset for Medicare premiums and related costs.
- Confirm new coverage options, COBRA deadlines, and whether to continue HDHP coverage.

COACH'S CORNER:

Reach out to financial advisor, Aaron Wiegman, who's familiar with Nike employees to learn more.

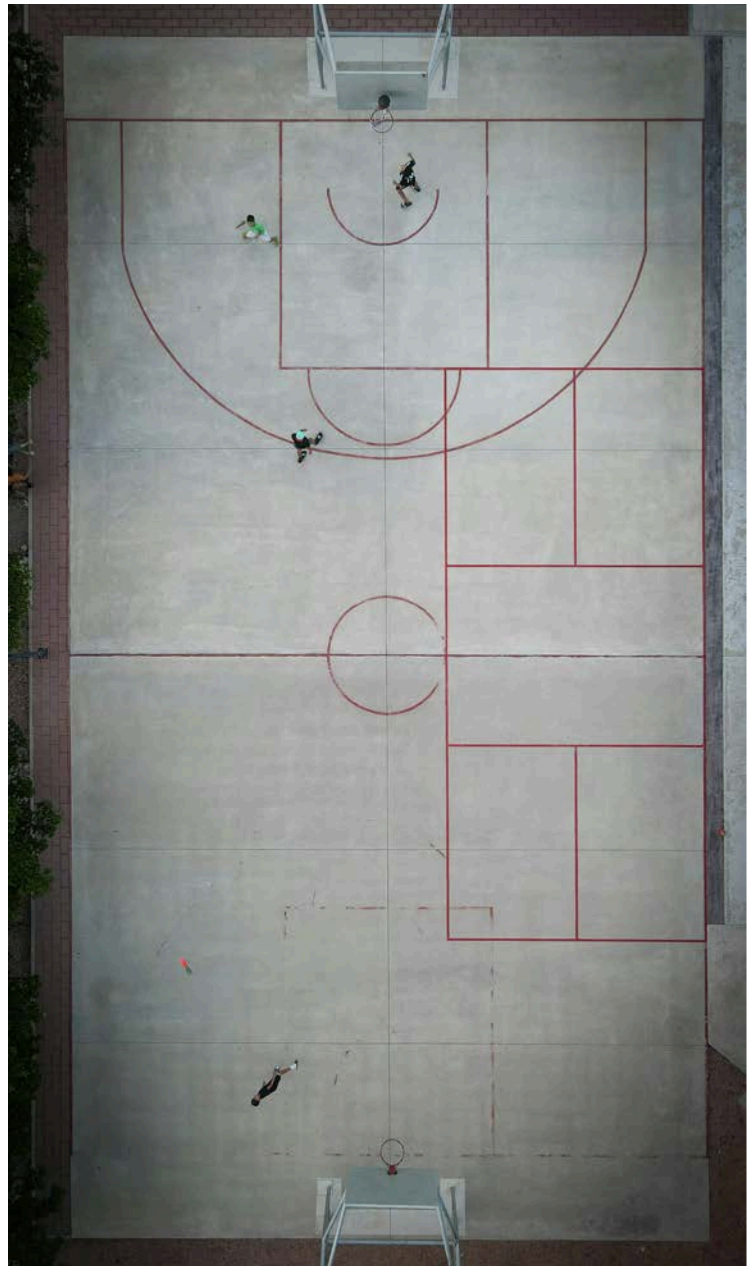
COACH'S CORNER: NET UNREALIZED APPRECIATION (NUA) FOR 401(K) SHARES

Upon separation from Nike, NUA allows you to distribute shares from your 401(k). You would pay ordinary income tax only on the original cost basis. The appreciation would then be taxed at long-term capital gains rates when the shares are eventually sold, providing tax management flexibility and a step-up in basis for beneficiaries.

Final Summary

LAYUPS (FUNDAMENTALS EVERYONE SHOULD MAKE)

- **Max Out 401(k) and HSA Contributions:** Secure full employer match and tax benefits every year for retirement and health savings.
- **Participate in Nike ESPP for the Discount:** Buy stock at a discount, sell promptly to lock in extra earnings and reduce single-stock risk.
- **Capture Nike's Charitable Match:** Use the company match for routine or DAF giving, up to $25,000 per year, to double your impact.



FREE THROWS (STRATEGIC, NEXT-LEVEL MOVES)

- **Diversify Concentrated Nike Stock Positions:** Systematically sell RSU, NSO, and ESPP shares and use proceeds to build a broader portfolio. Donate appreciated stock for tax efficiency and charitable goals.
- **Utilize Deferred Compensation Strategically:** Defer bonuses and base pay when possible, and elect multi-year installment payouts to manage retirement taxes.
- **Mega Backdoor Roth Contributions:** After maxing regular 401(k) contributions, make additional after-tax contributions (up to 3% of salary and bonus, ~$10k per year), then convert these to Roth for lifetime tax-free growth. This is a powerful tool for high earners to boost retirement savings well above standard limits.

3-POINTERS (ADVANCED, COMPLEX PLAYS)

- **Relocate Before Major Distributions:** Establish residency in a no-tax state before receiving deferred compensation or large equity payouts for optimal after-tax results.
- **Sequence Withdrawals Across Accounts:** Layer DCP, 401(k), IRAs, ESPP, and brokerage withdrawals to keep annual income steady, minimize bracket jumps, and optimize Social Security/Medicare costs.
- **Bundle Charitable Giving in High-Income Years:** Make large gifts or DAF contributions in windfall years to reduce taxes and maximize Nike's matching, using appreciated stock for added efficiency.

COACH'S CORNER: ADDITIONAL BENEFIT CONSIDERATIONS:

- **Life Insurance:** Nike provides basic life insurance, which can be supplemented at group rates. Review your existing coverage and coordinate with personal policies to guarantee adequate support for your family's needs, including mortgage, college expenses, and income replacement.
- **Disability Insurance:** Both short-term and long-term disability benefits offer income replacement if you're unable to work due to illness or injury. High-income earners may need to augment this with a private policy. Remember that employer-paid benefits are generally taxable upon receipt, whereas employee-paid plans may offer tax-free benefits.
- **Estate Planning:** Establish comprehensive estate planning documents and regularly review your beneficiaries. This ensures your wealth transfers according to your wishes, minimizes taxes, and reduces stress for your family. Coordinate these documents with your overall financial plan.

MEET AARON

Aaron Wiegman

Wealth Manager

Nine Four Wealth powered by Savvy

Nine Four Wealth

POWERED BY SAVVY

Aaron Wiegman, CFP®, brings over 20 years of experience as a financial advisor. He helps clients prioritize their financial plans by managing cash flow, optimizing savings, and guiding tax-efficient, risk-aware portfolio decisions. By creating game plans aligned with each client's values and goals, he meets clients wherever they are on their financial journey.

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