

# SpaceX

## PRE-IPO EMPLOYEE FINANCIAL CHECKLIST

*A step-by-step guide to preparing for SpaceX's potential public offering*

⚠ This resource is for informational purposes only and does not constitute financial, tax, or legal advice. Consult a professional before making any decisions related to your equity.

### 1. UNDERSTAND YOUR EQUITY POSITION

✓	Action Item	Notes / Why It Matters
<input type="checkbox"/>	<b>Locate all grant agreements</b> ★ <b>CRITICAL</b>	Pull your equity grant documents from SpaceX's internal equity portal. Know the grant date, number of shares/units, and type.
<input type="checkbox"/>	<b>Identify equity type</b> ★ <b>CRITICAL</b>	Determine whether you hold Stock Options (ISOs or NSOs), RSUs, or RSAs. Each has dramatically different tax treatment at IPO.
<input type="checkbox"/>	<b>Note vesting schedule</b> ◆ <b>HIGH</b>	Confirm how much is vested today and the schedule for the remainder. Understand any cliff periods or acceleration clauses.
<input type="checkbox"/>	<b>Calculate strike price vs. current FMV (if applicable)</b> ◆ <b>HIGH</b>	For options, the spread between your strike price and fair market value = your paper gain. Estimate this using latest 409A or secondary market data.
<input type="checkbox"/>	<b>Check for double-trigger RSUs</b> ★ <b>CRITICAL</b>	Many pre-IPO RSUs have a liquidity event trigger in addition to time-based vesting. Confirm if yours do and what an IPO means for that trigger.
<input type="checkbox"/>	<b>Review post-termination exercise window</b>	Understand how long you have to exercise options if you leave the company before IPO.
<input type="checkbox"/>	<b>Look for any transfer restrictions</b>	Check if your equity has right-of-first-refusal clauses, transfer restrictions, or blackout period policies.

### 2. BUILD YOUR ADVISORY TEAM

✓	Action Item	Notes / Why It Matters
<input type="checkbox"/>	<b>Engage a <u>fiduciary financial advisor</u></b> ★ <b>CRITICAL</b>	Seek a fiduciary advisor with expertise in SpaceX equity compensation, tax planning, and liquidity events.

### 3. TAX PLANNING & AMT AWARENESS

✓	Action Item	Notes / Why It Matters
<input type="checkbox"/>	<b>Run an AMT projection for ISO exercise</b> ★ <b>CRITICAL</b>	Exercising ISOs can trigger Alternative Minimum Tax even if you don't sell. Work with your financial advisor to model this.
<input type="checkbox"/>	<b>Model your federal + state tax bill</b> ★ <b>CRITICAL</b>	Estimate taxes owed at various IPO share prices. Plan cash reserves accordingly. California residents face state tax on top of federal.
<input type="checkbox"/>	<b>Plan for NSO ordinary income tax</b> ◆ <b>HIGH</b>	NSO exercise spreads are taxed as ordinary income in the year of exercise. Model different exercise scenarios.
<input type="checkbox"/>	<b>Review 83(b) election status</b> ◆ <b>HIGH</b>	If you received early-exercised options or RSAs, confirm whether an 83(b) election was filed within 30 days of grant.
<input type="checkbox"/>	<b>Consider exercising ISOs before IPO</b> ◆ <b>HIGH</b>	Early exercise may start your long-term capital gains clock and reduce AMT exposure. Time this carefully with your CPA or advisor.
<input type="checkbox"/>	<b>Check your estimated tax payments</b>	If you exercise before year-end, you may need to make estimated tax payments to avoid underpayment penalties.
<input type="checkbox"/>	<b>Understand RSU income at vest/liquidity</b>	RSU shares are taxed as ordinary income when they vest (or when the liquidity trigger is met). Plan withholding accordingly.

### 4. LOCK-UP PERIOD PLANNING

✓	Action Item	Notes / Why It Matters
<input type="checkbox"/>	<b>Understand the lock-up period</b> ★ <b>CRITICAL</b>	IPO lock-ups typically restrict selling for 90–180 days post-IPO. You cannot sell immediately, even after the company goes public.
<input type="checkbox"/>	<b>Plan liquidity around lock-up expiration</b> ★ <b>CRITICAL</b>	Map out your cash needs during the lock-up period. You'll need personal reserves to cover any tax bills.
<input type="checkbox"/>	<b>Understand early release conditions</b> ◆ <b>HIGH</b>	Some lock-up agreements include conditions for early release (e.g., stock price thresholds). Review the prospectus carefully.
<input type="checkbox"/>	<b>Prepare a selling plan in advance</b> ◆ <b>HIGH</b>	Decide in advance what % you'll sell at lock-up expiration, if any. Have a 10b5-1 plan ready if you are an insider.

✓	Action Item	Notes / Why It Matters
<input type="checkbox"/>	<b>Avoid blackout period violations ★ CRITICAL</b>	Familiarize yourself with insider trading policies. You may be subject to trading windows even after lock-up.
<input type="checkbox"/>	<b>Set up a Rule 10b5-1 plan (if applicable)</b>	If you are a company insider (officer, director, 10%+ holder), a pre-planned 10b5-1 trading plan protects you legally.

## 5. FINANCIAL & CASH FLOW PREPARATION

✓	Action Item	Notes / Why It Matters
<input type="checkbox"/>	<b>Build a cash reserve ★ CRITICAL</b>	Maintain 6–12 months of living expenses in cash before IPO. Do not rely on equity for day-to-day expenses until shares are liquid.
<input type="checkbox"/>	<b>Check account title and beneficiaries</b>	Ensure your investment accounts have correct beneficiaries and are titled properly (individual, joint, or trust).
<input type="checkbox"/>	<b>Review withholding on RSU vests ◆ HIGH</b>	Confirm that your employer is withholding sufficient tax on RSU vests. The default 22% federal withholding often isn't enough.

## 6. POST-IPO WEALTH MANAGEMENT

✓	Action Item	Notes / Why It Matters
<input type="checkbox"/>	<b>Decide on concentration risk strategy ★ CRITICAL</b>	Avoid holding too much of your net worth in a single stock. Consider diversification timeline over 1–3 years with your financial advisor.
<input type="checkbox"/>	<b>Plan charitable giving (if applicable)</b>	Donating appreciated shares directly to a DAF (Donor Advised Fund) before selling avoids capital gains taxes and generates a deduction.
<input type="checkbox"/>	<b>Review estate plan post-liquidity ◆ HIGH</b>	Update your will, trust, and power of attorney to reflect your new net worth.
<input type="checkbox"/>	<b>Consider maxing out tax-advantaged accounts ★ CRITICAL</b>	Contribute to 401(k), HSA, and Traditional IRA in the year of your liquidity event to reduce taxable income.
<input type="checkbox"/>	<b>Understand capital gains holding periods</b>	Shares held >1 year qualify for long-term capital gains rates (0–20%). Track your cost basis and purchase dates carefully.

✓	Action Item	Notes / Why It Matters
<input type="checkbox"/>	<b>Avoid lifestyle inflation initially</b>	Give yourself 90–180 days before making major purchases (house, car, etc.) to let the dust settle on your tax picture.
<input type="checkbox"/>	<b>Revisit wealth plan annually with advisor</b>	Your equity strategy should be revisited at each year-end with your financial advisor.

## 7. SUGGESTED TIMELINE

PHASE	RECOMMENDED ACTIONS
<b>12+ Months Out</b>	Consult financial advisor, audit equity grants, model AMT scenarios, build cash reserves, update estate plan.
<b>6–12 Months Out</b>	Execute any ISO early exercises after advisor review, set up charitable vehicles (DAF), establish 10b5-1 plan if insider.
<b>3–6 Months Out</b>	Finalize selling and diversification strategy with advisor, review lock-up terms in S-1/prospectus, confirm withholding, consider maxing retirement accounts.
<b>IPO Day to Lock-up</b>	Avoid impulsive decisions. Track lock-up expiration date carefully.
<b>Lock-up Expiration</b>	Execute planned 10b5-1 sales if applicable. Pay estimated taxes if needed. Begin diversification plan.
<b>Post-Liquidity (Year 1)</b>	Review wealth plan with financial advisor, file taxes with CPA, and consider estate plan.



### About the Author

Brady Lochte is a financial advisor at **Axon Capital Management**, a fee-only fiduciary firm that works with SpaceX employees navigating equity compensation and long-term wealth planning. He helps employees develop financial plans around stock options, taxes, diversification, and potential liquidity events. Learn more or schedule a conversation at [www.axonwm.com](http://www.axonwm.com)

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