Wealth Management and Comprehensive Financial Planning for SpaceX Employees

A Practical Guide for SpaceX Employees to Maximize Their Benefits

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Welcome to SpaceX Equity Benefits

SpaceX employees are part of a groundbreaking aerospace company, offering exceptional opportunities to accumulate substantial wealth via equity compensation such as Restricted Stock Units (RSUs), Incentive Stock Options (ISOs), Non-Qualified Stock Options (NSOs), and Employee Stock Purchase Plan (ESPP). SpaceX's compensation structure is both generous and complex, creating unique financial planning opportunities. The company's stock has surged from $0.10 per share to approximately $212 per share as of July 2025, heightening both potential rewards and tax intricacies. This white paper addresses equity management, retirement vehicles like the 401(k) and Backdoor Roth IRA, investment diversification, and spousal/estate planning.

Below is a table illustrating SpaceX's historical stock price growth for context:

Date/Event	Price per Share	Notes
Early days	$0.10	Initial valuation
Pre-10-for-1 split (Feb 2022)	$560	Pre-split value
Post-split (Feb 2022)	$56	Adjusted for split
July 2025	$212	New current valuation

SpaceX Equity Compensation

Restricted Stock Units (RSUs)
RSUs are a form of executive compensation under the SpaceX Equity Incentive Plan.

Below is the RSU Vesting Schedule:

- Year 1: 20% (Annual)
- Years 2-5: 20% each year, semi-annually.

Incentive Stock Options (ISOs)
Grant the right to buy stock at a predetermined exercise price, with a 5-year and special 6-year graded vesting schedule, during which the amount of shares available for exercise increases progressively. At Tempo Wealth, we assist in deciding how many ISOs to exercise and sell, factoring in tax situation, expiration date, exercise price, and purchase offer windows.

6-Year SpaceX Stock Option Schedule (for bonuses/awards):

- 1-year cliff (0% vests in Year 1), followed by vesting over next 5 years; grants 3x cash value in shares (more shares than 5-year's 2x).

The majority of people look to buy the ISO for the cost basis vs performing a cashless exercise. They understand that there is AMT that's calculated, but due to significant appreciation, it tends to be a great strategy even with the AMT. Because when you sell shares that are tied to AMT, you then receive the AMT credit for the tax you've already paid, thus lowering the overall tax once you sell your common shares.

Non-Qualified Stock Options (NSOs or NQSOs)
When you go to buy a non-qualified stock option, you not only owe the money to buy the shares, but you also owe the tax all at the same time. So it's often considered a less favorable option if you're looking to convert non-qualified stock options to common shares.

Employee Stock Purchase Plan (ESPP)
You can now defer up to 100% of your salary into an Employee Stock Purchase Plan.

Navigating Liquidity Events

There tends to be a maximum amount of shares that you can sell in an open window, and understanding that percentage is vital as your exposure to SpaceX shares grows.

Accessing Liquidity: Private Share Loans

For SpaceX employees seeking liquidity without selling shares, the Private Share Loan program from Morgan Stanley Private Bank offers a solution. By pledging shares in your stock plan account as collateral, you can access cash while maintaining equity ownership.

Program Details:

- **Loan Type:** Non-revolving, fully drawn loan plus an interest reserve balance for monthly interest payments.
- **Loan Structure:** Advance rate of 15% on pledged shares; 40% loan maintenance requirement.
- **Loan Size:** $75,000 to $2,250,000.
- **Interest Rate:** 30-Day average SOFR + 4.50% spread (negotiated for SpaceX employees).
- **Term:** 18 months; repayable anytime without penalty.
- **Repayment:** Interest-only monthly; option to capitalize via interest reserve.
- **Fees:** None (application, origination, or maintenance).

Benefits:

- Access liquidity easily with privately held SpaceX shares.
- Simple online application; no credit score impact.
- Retain ownership and participate in future purchase offers.

Risks to Consider:

- Decline in Share Value: Collateral call may require additional shares or partial/full repayment.
- Sale of Your Shares: Shares may be sold without permission if loan unpaid.
- Full Recourse Loan: Personal liability for losses from non-payment.

Participation in Purchase Offers:

- Pledged Shares: Proceeds automatically pay loan first; excess disbursed to you.
- Unpledged Shares: 50% of proceeds pay loan; remainder to you.
- Newly Acquired/Vested Shares: Full proceeds to you (post-loan agreement).

Pledged shares show a “Pledged” indicator in the “Security No.” on sales election pages. Consult a tax professional.

Opening a loan does not restrict future purchase offers. Existing borrowers may increase loans—contact privatesharelending@morganstanley.com.

Let’s get started

SpaceX’s benefits can present meaningful opportunities, but it takes a plan to maximize them. Whether you’re saving for retirement, a home, or your kids’ future, our team at Tempo Wealth is here to help. Do you have questions or want a second opinion?

Reach out to Bernie Garrah at btg@tempowealth.com or call **440.568.3676 ext. 102** for a free consultation.