TEMPO

2026 PLAN YEAR

PROGRESSIVE EMPLOYEE BENEFITS · 2026

How to Build Wealth at Progressive in 2026

A Practical Guide for Stock-Eligible Progressive Employees

Prepared by Tempo Wealth

Building Wealth at Progressive

Your role at Progressive requires diligence and deep understanding. The same can be said of managing your total compensation.

Progressive pays its stock-eligible people in more ways than a paycheck. Time-based RSUs vest in thirds from the third year, Gainshare swings with company results, the 401(k) holds a company stock fund and a Spillover account, and eligible executives can defer pay into the EDCP. Your benefits package adds a Health Savings Account option and company-paid life and disability insurance.

How to use this guide

- What are my financial goals?
- Am I using Progressive's benefits to their full potential to help me get there?

The team at Tempo Wealth helps Progressive employees turn their equity and benefits into a comprehensive financial plan. This guide will break down how Progressive benefits work and strategies for getting the most out of them – whether you're dreaming of retirement, a new home, or a legacy for your family.

Note: the material below draws on Progressive's 401(k) Summary Plan Description, its public SEC filings and the 2026 IRS figures. Your own award agreements and plan documents control, and awards that came from an acquired company may have different terms from the ones described here.



The Progressive 401(k)

Joining the plan

The Progressive 401(k) Plan is held at Fidelity. Regular full-time and part-time employees can join after 30 days of service, and Progressive enrolls you automatically at 6% pre-tax unless you choose otherwise.

Choosing your contribution type

You can save pre-tax (tax break now, pay taxes in retirement), Roth (pay taxes now, qualified withdrawals are tax-free), or a mix of the two. Which suits you depends on your tax rates and circumstances now and in retirement.

Your company match

Progressive matches one dollar for each dollar you contribute, up to 6% of your eligible compensation, with the match for highly compensated employees capped at $12,000 a year. Eligible compensation is base pay and similar wages; Gainshare and bonuses are excluded, so your elections never apply to a Gainshare payout.

Contribute throughout the year

Progressive calculates the match each paycheck, so a pay period with no contribution earns no match. You can start, stop or change your contribution percentage at any time, and a change takes effect the next available pay period. Matching contributions made since 2021 vest once you have two years of service. You are always 100% vested in your own contributions.

401(k): 2026 contribution limits

For 2026, you can save up to $24,500 in pre-tax and Roth deferrals combined. If you're 50 or older, you can add a $8,000 catch-up. At ages 60 to 63, the catch-up is $11,250 instead.

For 2026, if you're eligible for catch-up contributions and your 2025 Social Security wages from Progressive exceeded $150,000, those catch-up contributions must be Roth.

Some questions to consider:

- Is most of my retirement savings already pre-tax? If so, would adding Roth contributions give me more choice about what I pay in tax later?
- Will my income and tax bracket go up? If so, should I go Roth now and switch to pre-tax later?

The Spillover Account

Saving above the deferral limit

Once you reach the $24,500 deferral limit (plus your catch-up if you're 50 or older), the plan lets you keep saving through after-tax "Spillover" contributions.

Your contribution room

For 2026, the total contributions from you and your employer can't exceed the lesser of $72,000 or 100% of your compensation. Catch-up contributions sit outside that limit. Your plan's rules and contribution testing can limit after-tax contributions further.

Subtract your $24,500 and Progressive's match (capped at $12,000 for highly compensated employees), and there is often room for tens of thousands more. Plan testing and the IRS limit on eligible compensation can reduce that room in practice.

Converting to Roth

The plan also offers a Roth in-plan conversion, with a $1,000 minimum, and it lets you withdraw Spillover contributions while you are still working, which is the route to a Roth IRA.

Converting after-tax contributions to Roth doesn't tax those contributions again, but any earnings you convert are taxable. Future Roth growth comes out tax-free in a qualified withdrawal.

Hypothetical example

Take Andre, 46, a hypothetical Progressive director who earns $250,000 and maxes the plan. He contributes $24,500, Progressive adds the $12,000 match, and he still has $35,500 of room, which he fills with Spillover dollars from his regular paychecks and converts to Roth.

Because the match is calculated each paycheck and applies to pre-tax, Roth and Spillover contributions alike, he keeps contributions flowing in every pay period until his match reaches its $12,000 cap, since a paycheck with no contribution earns no match.

Source	2026 amount
Andre's pre-tax or Roth deferrals	$24,500
Progressive match	$12,000
After-tax Spillover room	$35,500
All-source limit	$72,000

Illustrative stack for an employee under 50 receiving the full match.

Health Savings Account (HSA)

An HSA offers three federal tax benefits: deductible or tax-excluded contributions, tax-deferred growth, and tax-free withdrawals for qualified medical expenses. The account stays with you if you leave Progressive. State tax rules can differ.

The 2026 IRS limits are below.

2026 limit	Self-only	Family
HSA contributions	$4,400	$8,750
HDHP minimum deductible	$1,700	$3,400
HDHP maximum out-of-pocket expenses, excluding premiums	$8,500	$17,000

If you're eligible and age 55 or older, you can contribute an additional $1,000 to your own HSA.

2026 IRS limits per Rev. Proc. 2025-19; catch-up under IRC §223(b)(3).

Who can contribute

You need eligible health coverage to contribute. Medicare or a general-purpose health FSA can make you ineligible, and part-year eligibility can change your contribution limit.

If Progressive contributes to your HSA, its contribution counts toward the same limit, so reduce your own payroll election by that amount.

Using the account over time

You can pay current medical bills from other savings and leave the HSA invested. Keep receipts: federally tax-free withdrawals must cover qualified costs incurred after opening the HSA that weren't reimbursed or deducted elsewhere. Investments can lose value, so weigh the higher deductible against your cash needs.

Restricted Stock Units (RSUs)

RSUs are a promise of shares that you earn by staying employed. Progressive grants time-based RSUs to every stock-eligible employee as a percentage of base salary, usually in April, and performance-based RSUs to senior executives and officers on top.

Award	Who receives it	How it vests
Time-based RSUs	All stock-eligible employees	Nothing in the two years after grant, then one third each January in years 3, 4 and 5 after grant
Performance-based RSUs	Senior executives and officers	Vest at 0 to 2.5 times target after a three-year performance period, if and to the extent the goals and any profitability requirement are met

Awards generally follow these schedules; your grant agreement controls.

A grant-year example

A grant of 300 time-based RSUs made on April 25, 2025 vests nothing in 2025, 2026 and 2027, then 100 units in each of January 2028, 2029 and 2030.

Both award types earn dividend equivalents during the restriction period, reinvested as additional units under the same vesting conditions, and the number of performance units that vests can be zero if the company misses its goals.

How RSUs are taxed

When RSUs settle in shares at vest, the value of all shares settled, including any withheld to cover tax, is generally wage income reported on your W-2. That value becomes your cost basis. If you sell later, the difference is a capital gain or loss, short-term if you hold the shares for one year or less and long-term after that.

Sales are subject to Progressive's trading windows and insider trading policy, which covers many stock-eligible roles, and to any 10b5-1 plan you have in place.

Withholding

How Progressive covers the tax at vest, by keeping shares back or selling shares to cover, is set by your award terms and shows on your vest confirmation.

RSUs: Withholding and Taxes

Federal rules allow a flat 22% withholding rate when the requirements are met, and require 37% on supplemental wages above $1,000,000 for the year. Your withholding may fall short of the tax you owe, so extra withholding or estimated payments may be needed during the year.

If your supplemental wages will pass $1 million this year, you can file Progressive's tax withholding override form to withhold a higher percentage on vests before you reach that level.

In recent years the January vest has also landed in the same month as Progressive's annual dividend (paid January 8, 2026 for 2025), on every share you held on the record date.

Questions to ask:

- What rate was withheld on my last vest, and what is my actual rate likely to be this year?
- Should I adjust my withholding or make estimated payments ahead of my January vest?
- Will my supplemental wages pass $1 million this year, and should I file the withholding override form before my January vest?
- When shares vest, do I hold or sell, and how does that fit with how much Progressive I already own?



Hypothetical Example: Tax Withheld at Vest

Nadia, 34, has 400 Progressive RSUs vesting when the share price is $205. The vest adds $82,000 of wage income. If Progressive withholds federal tax at 22%, it holds back $18,040. If the income falls in the 32% bracket, the federal tax on it is about $26,240, a difference of $8,200 before any state tax.

This illustration uses one flat rate and ignores state tax, Social Security and Medicare tax, and other income; her actual result depends on her full tax picture.

Retirement: The Rule of 70

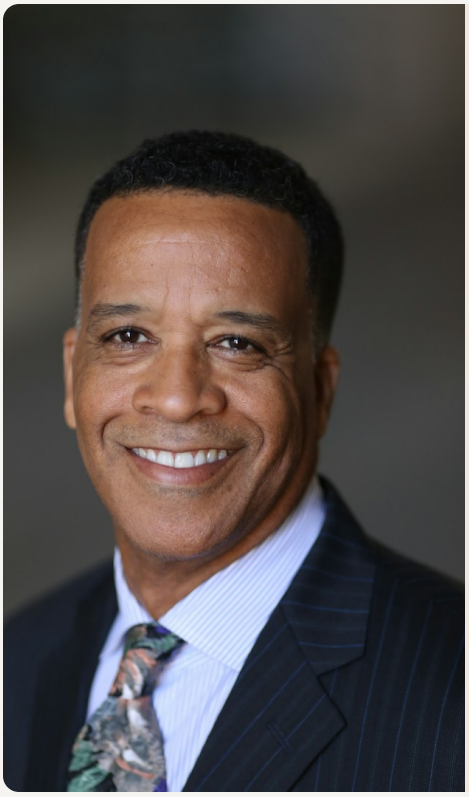
Progressive's equity plans give long-tenured employees a "qualified retirement" benefit, often called the Rule of 70.

If you retire at 55 or older with at least 15 years of service, or at 60 or older with at least 10, every unvested time-based RSU vests in full when you retire, under standard award terms. A grant counts once you stay employed through December 31 of the year it was granted. Stay through year end, and that April's grant vests 100% along with all your earlier unvested grants.

Performance awards are kept and vest if and when the goals are met.

Choosing your retirement date

Your retirement month determines how much salary shares a tax year with the vesting RSUs. Senior officers (specified employees under the tax code) receive shares six months and a day after leaving.



Hypothetical Example: December or February

Robert, 61, is a hypothetical Progressive senior executive with 20 years of service, a $225,000 base salary, a Gainshare target of 25% that pays at 1.0, and $350,000 of unvested time-based RSUs from earlier grant years. Assume his Gainshare is paid in February and no six-month settlement delay applies to him. A December retirement puts about $631,250 of salary, Gainshare and vested RSUs in that year.

If he retires after the first pay period in February, about $26,000 of salary, the $56,250 Gainshare paid that month for the prior year, and $350,000 of RSUs total about $432,250. These are income totals before deductions, not tax bills. Comparing the two years helps him plan the timing; his actual tax depends on his full tax picture.

Retirement: Final Pay and Share Sales

Pre-tax 401(k) deferrals from your final paychecks can offset vesting income, within the year's limit. Vacation pay is also eligible 401(k) compensation, so part of your retirement PTO payout can go into the plan pre-tax.

Selling shares after you retire

If you file Form 144 when you sell Progressive shares, Rule 144 still treats you as an affiliate for three months after you retire. During that time its limits on how many shares you can sell and how you sell them, and the Form 144 notice, apply as they did while you were employed.

Net Unrealized Appreciation

For pre-tax Progressive stock in your 401(k), Net Unrealized Appreciation (NUA) may let the growth be taxed at long-term capital gains rates instead of ordinary income rates.

The 401(k) offers The Progressive Corporation Stock Fund, an employee stock ownership program since 2010, and up to 10% of your payroll contributions can go into it. Positions build slowly under that cap.

Compare with an IRA rollover

A direct rollover to a traditional IRA defers tax. Later withdrawals of pre-tax money are taxed as ordinary income.

How NUA works

NUA works differently. You move the Progressive shares into a taxable brokerage account without selling them. You pay ordinary income tax now on the cost basis (what the plan paid for the shares), not their full value.

Growth earned inside the plan is taxed at federal long-term capital gains rates of 0%, 15% or 20% when you sell, depending on taxable income. The 3.8% net investment income tax doesn't apply to that growth. Growth after distribution follows the usual stock-sale rules.

NUA: Example and Requirements

Hypothetical example

Say you have $300,000 of Progressive stock with a $100,000 cost basis and $200,000 of growth. With NUA, you pay ordinary income tax on the $100,000 now. The $200,000 gets long-term capital gains treatment when sold. Your other pre-tax plan assets can roll to an IRA and remain tax-deferred.

A low cost basis can favor NUA, but compare the tax due now with a rollover's continued tax deferral. Your tax rates and withdrawal timing affect the result.

Before moving the shares

For pre-tax employer stock, your full balance across your employer's qualified plans of the same type must be distributed within one tax year after a qualifying event, such as leaving the company. The shares must move in kind to a taxable account, so check the steps before starting a rollover.

Before age 59½, a 10% additional tax may apply to the basis. One exception covers leaving your employer in or after the calendar year you turn 55; it doesn't apply to IRA withdrawals.

Use the Progressive NUA calculator at tempowealth.com to see how the two routes compare under your assumptions.

Two paths for pre-tax company stock

IRA rollover →	Traditional IRA →	Ordinary income tax on later withdrawals
NUA →	Shares transferred in kind to a taxable account →	Ordinary income tax on basis now; capital gains treatment on NUA when sold

Managing Progressive Stock Concentration Risk

At Progressive, a stock position can grow without anyone deciding to build it. Time-based RSUs vest each January, the 401(k) stock fund adds shares with every paycheck you direct there, and RSUs deferred into the EDCP stay in PGR stock until they are paid out. Your salary and benefits already depend on the same company, and any PGR inside your 401(k) adds to that exposure, so a bad quarter for PGR can reach several parts of your finances at once.

There are several ways to reduce concentration, and not all of them mean selling right away. The right mix depends on position size, tax basis, time horizon and your other goals.

Strategy	How It Works
Systematic Selling	Set a sale schedule for vesting events or permitted quarterly windows. You decide the timing in advance; the schedule doesn't remove market risk.
10b5-1 Plan	Adopt a trading plan when you hold no material non-public information, then wait through the required cooling-off period before trading begins. The plan can carry out scheduled sales during later blackouts, subject to company policy and the rule's other conditions.
Tax-Loss Harvesting	Offset gains from selling PGR stock by realizing losses in other parts of the portfolio, reducing the net tax cost of diversification.
Donor-Advised Fund (DAF)	Contribute appreciated PGR shares held more than one year directly to a DAF. No capital gains tax on the contribution, a potential charitable deduction if you itemize (annual floors and AGI limits apply), and grants recommended over time.
Section 351 Exchange	Contribute an eligible portfolio to a qualifying fund structure. Gain recognition may be deferred; portfolio and transaction requirements apply.
Traditional Exchange Fund	Pool appreciated shares with other investors into a fund. A qualifying contribution can defer the gain, and the fund diversifies over time; tax eligibility, fees, lock-up periods and investor requirements apply.

These strategies are not mutually exclusive; the right combination depends on position size, tax basis, time horizon, and liquidity needs. All of them are subject to your award agreements, Progressive's insider trading policy and its trading windows.

Concentration Risk: Questions to Ask

Start by working out what share of your net worth is tied to PGR, directly through shares and indirectly through your job and future grants. No single threshold fits everyone. It depends on your circumstances, risk tolerance, tax situation and objectives, so it's worth a deliberate conversation about how and when to reduce it. Consider:

- What percentage of my total net worth is tied to Progressive, directly and indirectly?
- Do I have a written plan for managing my equity position, or am I accumulating without a strategy?
- Am I inside a lock-up, a blackout period, or subject to trading restrictions that limit my options right now?
- Have I explored any of the strategies in the table with an advisor?

Donor-Advised Fund Giving

If charitable giving is part of your plan, a Donor-Advised Fund can be an efficient tool, particularly when you hold appreciated Progressive shares.

Giving appreciated stock

You contribute appreciated stock you've held for more than a year directly to a DAF rather than selling the shares first. The gift avoids realizing the appreciation and may qualify for a charitable deduction, subject to applicable limits. You then recommend grants to charities over time. Shares still under a lock-up or other transfer restriction may not be eligible to give.

A large RSU vest or a Rule of 70 retirement year may make a high-income year a useful time to consider charitable giving.

Hypothetical example

You donate $50,000 of PGR stock held over a year ($10,000 basis). Assuming you itemize, have $500,000 AGI in 2026 and make no other charitable gifts, the 0.5% floor is $2,500. That leaves a potential $47,500 deduction before other limits. You contribute the shares without realizing their $40,000 gain.

Questions to ask:

- Do I have appreciated Progressive shares that could be contributed to a DAF this year?
- Is there a high-income year on the horizon where bunching a larger charitable contribution would make sense?

Tax-Loss Harvesting

Tax-loss harvesting means selling securities that have declined in value on purpose, to realize losses that can offset capital gains elsewhere in the portfolio.

For Progressive employees who are systematically selling vested RSU shares, tax-loss harvesting in a taxable investment account can help reduce the net tax cost of that diversification. The losses from underperforming holdings offset the gains from selling PGR stock, which can reduce what you owe at tax time.

The wash-sale rule

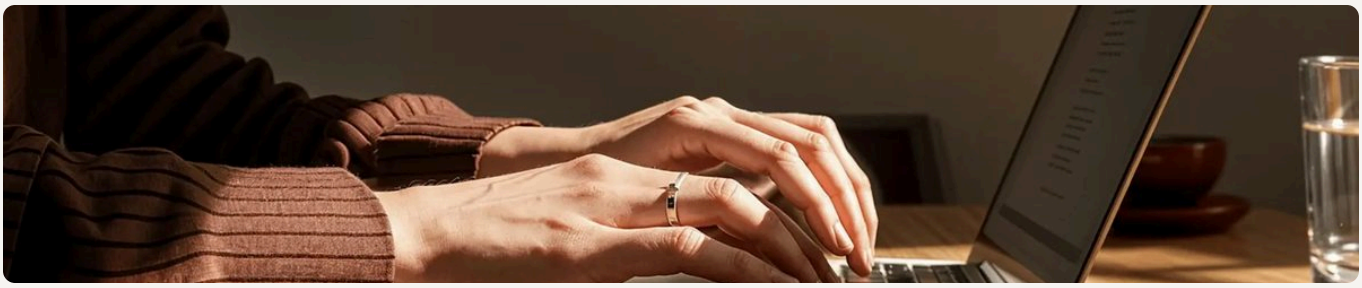
After selling, you can reinvest in a security that isn't substantially identical to maintain market exposure. The IRS wash-sale rule can disallow a loss if you buy the same or a substantially identical security within 30 days before or after the sale. Purchases in other accounts, including an IRA or a spouse's account, can count.

Review throughout the year

Over time, a disciplined harvesting strategy may reduce taxes, particularly in volatile markets, though the benefit depends on the gains available to offset. It works best as an ongoing practice, not a one-time response to a bad quarter.

Questions to ask:

- Does my taxable portfolio have positions with sizable unrealized losses that could be harvested against gains from selling PGR stock?
- Is my advisor reviewing this systematically throughout the year, not just in December?
- Do I understand the wash-sale rule and how it applies to securities I own in multiple accounts, including new RSU vests and reinvested dividends?



Section 351 Exchange

A Section 351 exchange may let you contribute an eligible portfolio to a qualifying fund in return for fund shares, deferring the gain. Some ETF launches use this structure.

Who qualifies

A single large Progressive position isn't automatically eligible. For the diversified-portfolio route, no more than 25% of the portfolio's value can be in securities from one issuer, and no more than 50% in securities from five or fewer issuers. Control rules and company transfer restrictions also apply.

Hypothetical example

You hold a diversified stock portfolio worth $1 million that originally cost $400,000. Selling it would realize $600,000 in gains. If the portfolio and transaction qualify, a Section 351 exchange could defer that gain when you receive the fund shares.

Taxes when you sell

The gain is deferred, not erased. Your original cost basis generally carries over, and selling the fund shares later can trigger tax.

Questions to ask:

- Does my portfolio qualify, and can I contribute it under Progressive's policies?
- How do fees, investment risks and future taxes compare with other ways to diversify?

The Executive Deferred Compensation Plan

Who can participate

Progressive's Executive Deferred Compensation Plan (EDCP) lets eligible executives (a Gainshare target of at least 35%, or committee designation) defer all or part of their Gainshare and annual RSU award and delay the income tax on it (payroll and some municipal taxes still apply when earned).

You elect in December for the year ahead, at least 10% of Gainshare, and pick the payout schedule then.

What you can defer

Gainshare pays at a factor from 0 to 2.0, so you elect a percentage of a number you don't know yet. And deferred RSUs stay in Progressive stock until paid out, while deferred Gainshare can be invested across the plan's funds, so deferring cash keeps more investment choice than deferring shares.

Taxes and company risk

After a move, qualifying payments spread over at least ten years may be protected from tax in your former state. A shorter schedule isn't automatically taxable there. Check the plan and state rules before choosing.

Deferred compensation payouts can bridge the years before retirement-account withdrawals. They aren't subject to the 10% early-distribution tax that can apply to IRA and 401(k) withdrawals before 59½. Other taxes still apply, and the balance remains an unsecured promise from Progressive.

From election to payout

1 · Elect in December

Choose next year's deferrals and payout schedule.

2 · Defer compensation

Gainshare uses plan investments; RSUs remain in PGR stock.

3 · Receive payments

Lump sum or 5, 7 or 10 annual installments.

When you get paid

Payouts come as a lump sum or in 5, 7 or 10 annual installments, starting after you leave Progressive or when an elected fixed deferral period ends, typically six months and one day after separation. Death or a change in control pays a lump sum, and deferred RSUs pay out in shares.

The Backdoor Roth IRA

If your income is too high for direct Roth IRA contributions, you may be able to contribute to a Traditional IRA without taking a deduction, then convert it to Roth. For 2026, the combined IRA contribution limit is $7,500, or $8,600 if you're 50 or older. Use only your remaining limit, and confirm you're eligible. A non-working spouse may qualify too.

When withdrawals are tax-free

Roth IRA earnings generally come out tax-free after age 59½ and five tax years. The clock starts with your first regular Roth IRA contribution tax year, or your first conversion year if earlier. Early withdrawals of converted money have separate rules.

The pro-rata rule

Don't overlook the pro-rata rule. Pre-tax money in any of your Traditional, SEP or SIMPLE IRAs can make part of the conversion taxable. The IRS looks across those accounts, so opening a separate IRA doesn't avoid the rule.



Life Insurance

Progressive provides $25,000 of basic group term life coverage at no cost to you. You can buy supplemental coverage in multiples of your base salary, usually 1x to 8x, subject to the plan's overall cap. Coverage for a spouse and children is also available through most group plans; check your enrollment materials for Progressive's terms.

Check your household needs

Gainshare and equity aren't reflected in the basic benefit. Compare your coverage with household needs; outside term insurance may offer level premiums and portability.

Employer-provided group term coverage above $50,000 creates imputed income under Section 79, which shows up on your W-2.

Disability Insurance

Progressive's long-term disability coverage is company-paid, and the plan calculates it on base salary only.

Coverage and the buy-up

Long-Term Disability begins after a 90-day waiting period. The basic benefit replaces 40% of your base salary, up to a maximum of $10,000 per month, and pays to age 65. Because Progressive pays the premium, the IRS taxes the benefit. You can elect a 20% buy-up to 60% of base salary, with the cap rising to $15,000 per month; Gainshare and RSUs are excluded either way.



Hypothetical Example: Base Pay Only

Take Mark, 52, a hypothetical Progressive executive earning $450,000: a $225,000 base, Gainshare at 50% of base, and RSU grants worth another 50%. Basic coverage pays $90,000 a year, which is 20% of his total compensation, before tax.

With the buy-up, the benefit rises to $135,000, or 30%.

Building Your Financial Team

Getting the most out of your Progressive benefits takes more than one skill set. There's financial planning for your 401(k), RSUs, EDCP, and HSA. There's tax strategy, estate planning, debt management, and insurance. Typically, you'd have to find and hire each of these separately: a Financial Planner, a CPA, an Estate Planning Attorney, a Debt Specialist, and an independent P&C Advisor. Then you'd have to keep them all on the same page.

Tempo was built so you don't have to do that alone. Our team leads your financial plan, from your 401(k) and equity comp to your tax and insurance strategy. And where your situation calls for a specialist, a CPA, an estate planning attorney, or a P&C advisor, we connect you with trusted professionals from our network and keep everyone working from the same playbook. One plan, one team keeping it aligned.

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Want to Talk?

Progressive's benefits can play a large part in building long-term wealth, but getting the most from them takes a coordinated plan. Whether you're saving for retirement, a home, or your kids' future, Tempo Wealth is here to guide you.

Curious to learn more about what it's like to work with us? Click the button below or send us an email at **info@tempowealth.com** to schedule a casual introductory conversation.

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