TEMPO



SPACEX EMPLOYEE BENEFITS · OPEN ENROLLMENT 2027

Open Enrollment 2027

A Decision Guide for Stock-Eligible SpaceX Employees

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Why This Open Enrollment Deserves More Than Ten Minutes

The elections you make this fall will shape your 2027 taxes, your family's protection, and in some cases your retirement income years from now. For most employees, open enrollment is a quick click-through in Workday.

For stock-eligible SpaceX employees, it lands at an unusual moment. This is the first benefits window since SpaceX became a public company, and it falls just weeks before the last of the IPO lock-up restrictions lift in December.

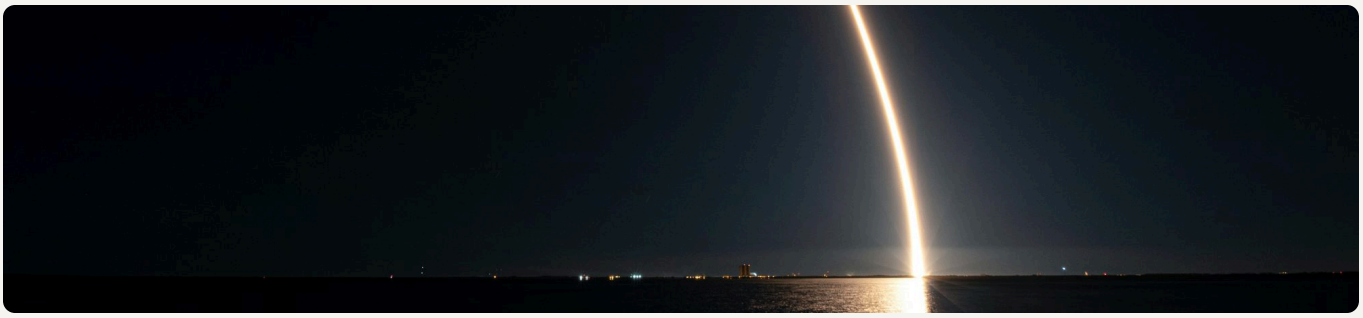
That timing matters more than it might seem. Your RSUs now vest into a publicly traded stock with a daily price, a quarterly earnings calendar, and trading windows.

The income that shows up on your 2026 and 2027 W-2s may be far larger than anything you've seen before, and that changes the math on nearly every election in this guide, from how much the HSA deduction is worth to whether your disability coverage is anywhere close to adequate.

Some of these choices are easy to revisit. Others are harder to undo. Your Health Care FSA election is fixed for the year once the window closes, and any voluntary life coverage you add this fall will require medical underwriting if you weren't newly eligible.

If SpaceX follows last year's calendar, the 2027 window will open in late October and close in mid-November, with elections effective January 1.

This guide walks through the decisions in the order you'll likely meet them: health coverage and the HSA, life insurance, disability, your 401(k), and your SpaceX equity. Each section closes with the questions we ask our own clients. A consolidated checklist at the end pulls them together so you can work through your elections with your spouse, your CPA, or with us.



Health Insurance: SpaceX's Medical Plans and the HDHP With an HSA

SpaceX offers up to five medical plans, depending on where you live: the Medical EPO, the Medical PPO, the Guide PPO, the High-Deductible Health Plan with a Health Savings Account, and, for California employees only, the Kaiser HMO.

Every plan except Kaiser is administered by Collective Health through Blue Shield of California, with BlueCard access nationwide, and all of them include prescription coverage.

For most stock-eligible employees, the real decision is between the three copay-based plans and the HDHP. If your family's medical costs are modest and predictable, the HDHP is often the better long-term choice. It is not the right answer for everyone, and the honest way to decide is to start with your own history rather than the plan brochure.

Start with the last two or three years

Pull your claims history from your Collective Health account and look at what you actually spent. How many specialist visits, prescriptions, or procedures did your household have? Is anyone managing a chronic or pre-existing condition that reliably generates costs every year?

Is a pregnancy, surgery, or new diagnosis likely in 2027? Does anyone in your family see a Lyra therapist every week or use the SpaceX Health Center in Hawthorne regularly?

That last question is specific to SpaceX, and it matters. Under the EPO, Medical PPO, and Guide PPO, visits to the SpaceX Health Center are free apart from lab work.

Under the HDHP, IRS rules require you to pay the fair market value of non-preventive visits there until you meet your deductible, and Lyra therapy sessions are billed at full cost until then as well. Under the Kaiser HMO, Health Center visits aren't covered at all. For a family that leans on either one, the HDHP's deductible fills faster than the plan summary suggests.

How SpaceX's Plans Differ

How SpaceX's plans differ

The Medical EPO covers in-network care only, apart from emergencies and certain out-of-network mental health visits. In exchange for that narrower network, it has historically been SpaceX's least expensive plan, with employee-only coverage paid in full by SpaceX.

It uses a modest deductible with flat copays for office visits, specialists, urgent care, and prescriptions, and it doesn't require referrals for specialists. If your doctors are in the Blue Shield network and you rarely need care away from home, the EPO is worth a close look.

The Medical PPO has a similar copay structure but covers out-of-network care as well, at higher cost-sharing. It's the plan for families who want to keep a specific doctor outside the network, or who have a child in college or a household member living in another state.

The Guide PPO is built around predictability. It has no in-network deductible and flat copays for most common services, including advanced imaging at a freestanding center for a small fraction of what the same scan costs at a hospital.

The trade-off is higher coinsurance, even in network, for a short list of procedures its clinical team considers high-cost and low-value, such as certain spinal injections and knee arthroscopy. If you know one of those is coming, call Collective Health before you choose.

The HDHP works the other way around. You pay the full negotiated cost of most care until you meet the deductible, then coinsurance until you reach the out-of-pocket maximum.

Preventive care is covered in full from the first dollar, and the plan covers care in and out of network. In exchange, you gain access to the HSA, SpaceX's own contribution to it, and the tax savings on everything you put in.

The Kaiser HMO is available only in California and requires you to use Kaiser providers and facilities, with referrals for most specialists. It's also the only SpaceX plan that doesn't include Lyra Health, 2nd.MD, Hinge Health, or Kindbody fertility benefits. For a family planning IVF or relying on Lyra, that alone usually settles the question.

Pricing Your Options

Pricing your options once 2027 rates are out

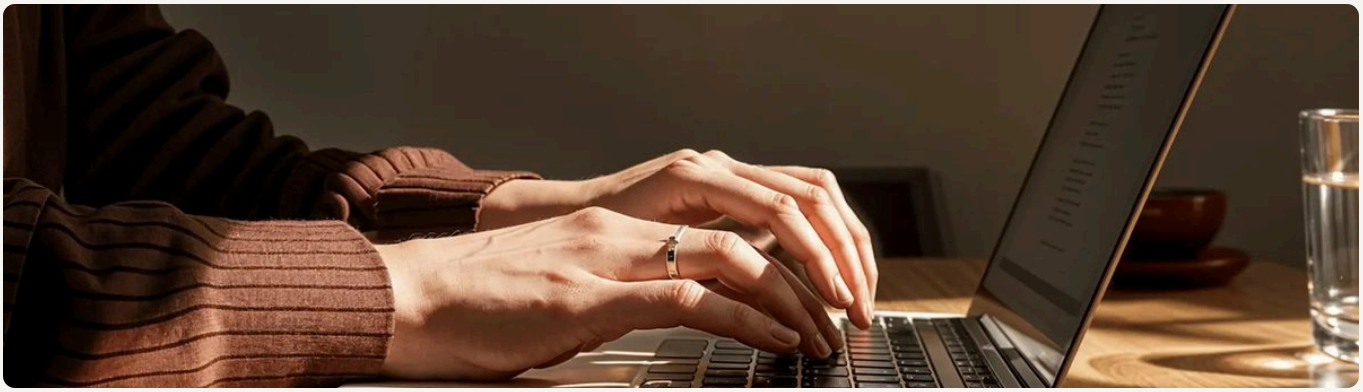
SpaceX will publish 2027 premiums and plan details with its open enrollment materials, and those numbers are what you'll need to run the comparison. The method is simple enough to do on a single sheet of paper.

First, price your worst realistic year under each plan: annual premiums plus the in-network out-of-pocket maximum. For the HDHP, subtract SpaceX's HSA contribution and the tax you save on your own contributions. Then price your typical year the same way, using the premiums plus what you'd realistically spend on copays, coinsurance, and care below the deductible.

The tax savings are larger than most people assume. For an executive in the 35% federal bracket whose wages are well above the Social Security wage base, each dollar contributed through payroll saves roughly 37 cents in federal income and Medicare tax.

If SpaceX keeps its family contribution at $1,000, a family that funds the remaining $8,000 of the 2027 limit saves close to $3,000 in federal tax, before a single dollar of growth. For a healthy household, that savings plus SpaceX's contribution often outweighs the higher deductible, even in a bad year.

If your household routinely hits its out-of-pocket maximum, the math can flip, and the EPO or one of the PPO plans may cost less in total. And if you would fund a Health Care FSA under one of those plans, count its tax savings in that column too.



The HSA: 2027 Limits

What the HSA actually does for you

The HSA is the only account in the tax code that is tax-advantaged three times over. Payroll contributions come out before federal income tax and before FICA, the balance grows tax-deferred, and withdrawals for qualified medical expenses are tax-free. The IRS has already published the 2027 limits in Rev. Proc. 2026-24.

2027 limit	Self-only	Family
HSA contribution	$4,500	$9,000
Catch-up (age 55+)	$1,000	$1,000
HDHP minimum deductible	$1,750	$3,500
HDHP out-of-pocket maximum	$8,700	$17,400
SpaceX contribution (2026 level, if unchanged)	$500	$1,000
Your maximum payroll election	$4,000	$8,000

SpaceX's contribution counts toward the same limit and is paid in equal amounts each pay period, so reduce your own payroll election by that amount. Confirm SpaceX's 2027 contribution in the enrollment materials before you set your election.

Where you live changes the value of all this. California and New Jersey don't recognize HSAs, so contributions, including SpaceX's, are added back to your state wages, and the account's interest and investment earnings are taxed by the state each year.

For a SpaceX employee in Hawthorne or Vandenberg, the HSA's advantage is federal only. For employees at Starbase, Bastrop, McGregor, Cape Canaveral, or Redmond, there is no state income tax to lose, and the federal benefit is the whole story either way.

Paying From the HSA or From Cash Flow

Pay from the HSA, or pay from cash flow?

If you can comfortably cover medical bills from your checking account, consider letting the HSA sit invested and untouched. The tax benefit of an HSA compounds the longer the money stays in the account, and there is no deadline for reimbursing yourself.

As long as the expense was incurred after the HSA was opened and you keep the receipt, you can reimburse yourself tax-free years or even decades later.

Keep a simple folder, digital or physical, of every qualified receipt you pay out of pocket. Over time, that folder becomes a tax-free withdrawal reservoir you can tap whenever you choose.

Hypothetical Example: Leaving the HSA Invested

Consider what that looks like in practice. A family contributing $9,000 a year, including SpaceX's $1,000, for 15 years, invested and earning 6%, would build an HSA of roughly $209,000. The same family withdrawing $3,000 a year for routine expenses would end up closer to $140,000. The difference is not the $45,000 in withdrawals; it is the growth those dollars never had the chance to earn.

The HSA as a Retirement Bridge

The HSA as a retirement bridge

The IPO has moved early retirement from a someday idea to a real option for many SpaceX families. If that's you, the gap between leaving SpaceX and Medicare eligibility at 65 deserves a plan, because healthcare is frequently the largest and least predictable expense in that window.

A well-funded HSA can cover deductibles, coinsurance, prescriptions, and dental and vision costs during those bridge years. It can also pay COBRA premiums tax-free if you elect COBRA after leaving SpaceX. One precision point matters here: premiums for ACA marketplace coverage are generally not qualified HSA expenses unless you are receiving unemployment compensation.

The out-of-pocket costs under that exchange plan are. This is where your saved receipts earn their keep, since reimbursing yourself for past expenses frees up cash for premiums without triggering tax.

After 65, the HSA can pay Medicare Part B, Part D, and Medicare Advantage premiums tax-free, along with the copays and coverage gaps that Medicare leaves behind. Medigap supplement premiums are the exception and don't qualify.

And after 65, non-medical withdrawals are simply taxed as ordinary income with no penalty, much like a traditional IRA. Plan to stop contributions six months before you enroll in Medicare Part A, since Part A coverage can be applied retroactively.

If you're switching to the HDHP from an FSA

SpaceX's Health Care FSA uses a grace period rather than a carryover, which lets you spend your 2026 balance on expenses incurred through March 15, 2027. That's helpful in most years, but it creates a trap if you're moving to the HDHP.

Any unspent balance on December 31, 2026 keeps you covered by a general-purpose FSA through the grace period, which makes you ineligible for the HSA. According to SpaceX's 2026 guide, neither you nor SpaceX could contribute to your HSA until April. If you're planning the switch, spend your 2026 FSA balance down to zero by year-end.

The EPO or a PPO Plan With an FSA

If you choose the EPO or a PPO plan with an FSA

If the EPO, Medical PPO, or Guide PPO is the better fit for your family, the Health Care FSA still lets you pay for medical, dental, and vision costs with pre-tax dollars. The trade-off is the use-it-or-lose-it rule: whatever you don't spend by the plan's deadline is forfeited.

Unlike an HSA, an FSA is a spending account, not a savings or investment account. It also doesn't carry forward on its own. SpaceX requires you to re-elect the FSA every year, and if you do nothing, your 2027 contribution defaults to zero.

The IRS typically announces health FSA limits in October or November. As of this writing, the official 2027 figures haven't been released, so the table below shows the confirmed 2026 limits. Plan to check the final 2027 numbers when the IRS publishes them, since they may arrive after you've made your election.

FSA limit	2026 (confirmed)
Health Care FSA employee contribution	$3,400
Dependent care FSA (per household)	$7,500

Official 2027 Health Care FSA limits have not yet been released by the IRS. The dependent care limit rose to $7,500 per household in 2026 ($3,750 if married filing separately). It's set by statute and isn't indexed for inflation, so it isn't expected to change for 2027 unless Congress acts.

How much to put in the FSA

Build your election from expenses you can predict with confidence, not from your hopes for the year. Start with recurring prescriptions, planned dental work or orthodontia, glasses and contacts beyond what VSP covers, therapy or specialist copays you already expect, and your deductible if your family reliably meets it. Leave out costs that may or may not happen.

How Much to Put in the FSA

It helps to think about the math at the margin. For an executive in the 35% bracket in Texas, Florida, or Washington, each FSA dollar saves roughly 37 cents in federal and Medicare tax, so an extra dollar of election only pays off if you're more than about 63% confident you'll spend it.

California does exempt FSA contributions from state tax, unlike HSA contributions, so a California executive saves closer to 47 or 48 cents, and the break-even confidence drops to around 52%. SpaceX's grace period through March 15, with claims due by March 31, gives you a little extra room to use what you set aside.

Two features make a slightly conservative election easier to live with. Your full annual election is available on the first day of the plan year, so a large January expense can be reimbursed immediately. And if a qualifying life event occurs, such as a birth or a change in coverage, you can generally adjust your election within 30 days.

If you choose the HDHP instead, the general-purpose Health Care FSA isn't available to you, and SpaceX's 2026 guide doesn't list a limited-purpose dental and vision FSA. Your HSA does that job instead, and it's the better account for it anyway.

Questions to ask yourself:

- What did my household actually spend on healthcare over the last three years?
- Does anyone in my family have a condition, or rely on Lyra therapy or the SpaceX Health Center, in a way that makes high early-year costs likely?
- Can I pay routine medical bills from cash flow and leave the HSA invested?
- If I live in California, how much of the HSA's advantage survives state tax?
- If the IPO has made early retirement realistic, how many years of healthcare costs do I need to bridge?
- If I choose the EPO or a PPO plan, which of next year's expenses are predictable enough to fund through an FSA?

Life Insurance: Sizing the Need Before Choosing the Amount

SpaceX gives you basic life and AD&D coverage equal to one times your base pay, up to $200,000, at no cost. You can add voluntary term life through The Hartford in $5,000 increments up to $500,000, with coverage for a spouse and children available as well.

The convenience is real. The more important question is whether group coverage is the most cost-effective way to meet your need over the years you actually need it, and for many SpaceX families, whether the IPO has changed the need itself.

How much coverage, and for how long?

Start with the need, not the menu. Think about the income your family would lose, the mortgage and other debts you'd want retired, college funding for your children, and whether your spouse's own retirement would fall short without your future savings.

Then subtract what already exists: liquid savings, retirement accounts, existing policies, and any unvested equity that would vest upon your death under your award agreements.

That subtraction may look very different this year. Shares that were illiquid and hard to value a year ago now trade on Nasdaq, and for some households they already cover most of what life insurance was meant to protect. Be careful about leaning on them entirely, though.

A concentrated stock position can lose half its value in a matter of weeks, which is roughly what SPCX did between its post-IPO high and its August low. A policy pays a fixed amount regardless of where the stock trades on the day your family needs it.

Just as important is the shape of the need over time. For most executives in their 40s and early 50s, the need is temporary. It shrinks as the mortgage is paid down, the kids finish school, and your portfolio grows large enough to support your family on its own.

A smaller number of families have a permanent need, such as estate liquidity, a dependent with special needs who will require support for life, or an estate that may exceed the federal exemption, now $15 million per person. The IPO has pushed more SpaceX families into that last group than you might expect. Those needs call for a different conversation than term coverage.

What Group Coverage Costs Over Time

What group voluntary coverage costs over time

SpaceX's voluntary life is priced in five-year age bands. Your rate per $1,000 of coverage stays flat within a band and then steps up each time you cross into the next one.

Unlike plans that tie coverage to a multiple of salary, SpaceX's voluntary coverage is a flat dollar amount, so a raise won't quietly increase your premium. The age bands do all the work on their own.

Employee age band (2026 rates)	Monthly rate per $1,000	Annual cost of $500,000
35–39	$0.0900	$540
40–44	$0.1337	$802
45–49	$0.2228	$1,337
50–54	$0.3317	$1,990
55–59	$0.4901	$2,941
60–64	$0.8069	$4,841

These are 2026 rates. SpaceX has not yet published 2027 voluntary life rates, so confirm the current figures in your 2027 enrollment materials before you elect coverage. Required voluntary AD&D at the same level adds $118.80 a year at every age under the 2026 rates.

An executive who carries $500,000 of voluntary coverage from age 40 until 65 would pay about $59,500 in life premiums, and roughly 65% of that, nearly $39,000, falls in the final ten years.

That's often the point when the need for coverage is at its lowest. The coverage also reduces by 35% at 65 and by another 15% at 70, so the most expensive years buy less protection.

Group voluntary or outside level term?

If you are in good health, compare the group election against an individually underwritten level term policy for the same amount and the same number of years. A level term policy locks in your premium for the full term, whether that's 15, 20, or 25 years.

For a healthy, non-smoking executive in their 40s, the total cost of a level term policy over its full term often compares favorably with the cumulative group premium, and the policy belongs to you whether you stay at SpaceX, retire early, or leave.

Group Coverage or Outside Level Term

One SpaceX plan detail changes this comparison during open enrollment. The $250,000 guaranteed-issue amount only applies when you're newly eligible. If you're already a SpaceX employee electing voluntary coverage for the first time, or increasing what you have, The Hartford will require Evidence of Insurability before the coverage takes effect.

The usual advantage of group coverage, that it skips medical underwriting, largely disappears. You'll be answering health questions either way, so it's worth pricing both.

Group coverage still has a role. It can be a sensible short-term bridge while an outside policy is being underwritten, and SpaceX's plan offers portability and conversion if you leave. Portability rates are usually higher than what a healthy person would pay for an individual policy, so plan on it as a backstop rather than a strategy.

One tax detail belongs on your radar. Employer-provided group term coverage above $50,000 generates imputed income under Section 79. With SpaceX's basic coverage at $200,000, you're taxed on the value of $150,000 of coverage.

For someone aged 50 to 54, that's about $414 of added W-2 income a year, rising to roughly $1,188 in your early 60s. It's usually modest, but it's part of the true cost.

Questions to ask yourself:

- How much would my family need to maintain its lifestyle and meet its goals without my income?
- How much of that need is now covered by my SpaceX shares, and how comfortable am I relying on a single stock for it?
- Is my need temporary, permanent, or a mix of both, and has the IPO created an estate liquidity need?
- What will my voluntary premiums total between now and retirement as I move through each age band?
- Since new voluntary coverage requires underwriting anyway, what would the same coverage cost as outside level term?

Disability Coverage: Measuring Your True Replacement Rate

For stock-eligible SpaceX employees, group disability coverage almost always replaces far less of your income than the headline percentage suggests. The reason is simple: both the short-term and long-term benefits are calculated on base pay only, and a large and growing share of your compensation arrives as RSUs.

What the plan provides

SpaceX provides short-term and long-term disability coverage at no cost to you. Short-term disability begins after seven consecutive days and pays 66.67% of your weekly base pay, up to $1,600 a week, for up to 12 weeks. That cap binds at a base salary of about $125,000.

Long-term disability begins after 90 days and pays 66.67% of monthly base pay up to $10,000 a month, which caps out at a base of about $180,000. Benefits continue until you recover or reach normal retirement age.

Because SpaceX pays the premium, the benefit you'd receive is taxable income. Both benefits are also coordinated with other disability income, such as Social Security disability or a state program like California SDI or Washington's Paid Family and Medical Leave, which means those payments reduce what the SpaceX plan pays rather than adding to it.

SpaceX's 2026 guide doesn't list a buy-up option, so there's no election in Workday that raises the cap.

If you're newer to SpaceX, note the pre-existing condition clause. The LTD plan won't cover a disability tied to a condition you were treated for in the three months before coverage began, until you've been covered for 12 months.

Disability: Your Replacement Rate

The gap widens quickly as equity grows. At a $325,000 base with $975,000 in annual RSU vesting, the same $120,000 benefit is about 9% of total pay. For many SpaceX leaders, the IPO has made the equity portion of compensation larger and more visible than ever, while the disability benefit hasn't moved.

Now compare that benefit to your actual household spending, your mortgage, your savings commitments, and your children's education plans. Most families we work with find a meaningful shortfall.

It's also worth reviewing what happens to your equity if you become disabled. Some award agreements continue vesting or accelerate it on disability, while others simply stop vesting when employment ends. Read your RSU agreements, and note that grants made under a new post-IPO equity plan may not carry the same terms as your older grants.



Hypothetical Example: Base Pay Only

Consider an executive with $500,000 of total compensation: a $240,000 base and RSUs vesting at $260,000 a year. The LTD benefit tops out at $120,000 a year, which is 24% of total compensation. Because the benefit is fully taxable, the after-tax figure is lower still.

Disability: If You're Underinsured

If you're underinsured

With no buy-up in the group plan, the path to more coverage runs outside it. Individual disability insurance can layer on top of SpaceX's group coverage.

The strongest individual policies are non-cancelable and guaranteed renewable with a true own-occupation definition of disability, meaning benefits are paid if you can't perform the duties of your specific role, even if you could work in another one. Individual premiums are paid with after-tax dollars, so the benefit comes to you tax-free.

Some carriers will also cover a portion of bonus and equity compensation when you can document a consistent history, and supplemental executive disability programs are designed specifically to cover pay above group plan caps.

Now that your RSUs vest into a public stock with a documented W-2 history, that case is easier to make than it was when SpaceX was private. Individual coverage requires medical underwriting, so it's easiest and least expensive to secure while you're healthy.

Questions to ask yourself:

- What percentage of my total compensation would I actually receive if I couldn't work?
- Would that after-tax benefit cover my household's fixed expenses?
- What do my award agreements say about RSU vesting on disability, and do my newer grants read differently?
- Am I still inside the 12-month pre-existing condition window?
- Should I price an individual own-occupation policy or supplemental executive coverage that reaches my equity income?

Your 401(k): Pre-Tax, Roth, and Planning Without a Match

The 401(k) election is worth revisiting every year, because the right mix of pre-tax and Roth contributions changes as your income, your balances, and your retirement plans change.

At SpaceX, one plan feature shapes every other decision: there is currently no company match. The case for contributing rests entirely on the tax treatment, and that case has rarely been stronger than it is for a SpaceX employee in 2027.

Where the limits stand

For 2026, you can defer $24,500 on a pre-tax or Roth basis, plus an $8,000 catch-up at age 50 or an $11,250 catch-up between ages 60 and 63.

SpaceX's 2026 guide was printed before the IRS released these figures and still shows the 2025 limit of $23,500, so if you set your percentage off the guide, you may be short of the real maximum. Because changes on 401k.com take effect the following month, an adjustment made in October still reaches your November and December paychecks.

The IRS will publish 2027 limits in late October or early November, likely right around the close of open enrollment. You can change your 401(k) percentage anytime, so plan to revisit it once the final numbers are out.

Pre-tax or Roth?

The textbook answer is to contribute pre-tax if you expect a lower tax rate in retirement and Roth if you expect a higher one. For stock-eligible SpaceX employees, a few facts tilt the answer.

RSU vesting at a public-market price is likely pushing you into the 35% or 37% bracket, which makes today's deduction valuable. And where you live now, versus where you'll live later, matters more than usual.

If you work in California and expect to retire somewhere without an income tax, pre-tax contributions look especially attractive. You deduct them against California's top rates today, and under 4 U.S.C. § 114, California can't tax your 401(k) distributions once you've established residency elsewhere. That's a planning opportunity many Hawthorne employees overlook, particularly with so much of SpaceX's footprint now in Texas.

401(k): Pre-Tax, Roth, and No Match

The counterweight is the size of your future pre-tax balance. Required minimum distributions from a large 401(k) and rollover IRA, stacked on Social Security and a taxable portfolio built from SpaceX shares, can keep retirement income higher than people expect.

Would you value tax-free assets to leave to your children, who may inherit during their own peak earning years? For many of our clients, a blend works best: pre-tax deferrals capture today's deduction at a high marginal rate, while Roth dollars build a meaningful tax-free bucket alongside them.

One rule now makes part of this decision for you. Starting in 2026, if your prior-year FICA wages from SpaceX exceeded $150,000, any catch-up contributions must go into the Roth 401(k). RSU vesting counts as FICA wages, so most stock-eligible employees 50 and older will be subject to it in 2027.

Planning without a match

The absence of a match simplifies a few things. There's no true-up to worry about, so front-loading your contributions early in the year costs you nothing. Most plans apply your deferral percentage to salary and cash bonus rather than RSU income, so confirm with Fidelity how your elected percentage translates into dollars and whether you'll actually reach the limit.

It also leaves unused room. The total 2026 limit across all sources is $72,000, and with no employer contributions, someone under 50 who maxes their deferrals still has $47,500 of room beneath that ceiling. SpaceX's 2026 guide describes pre-tax and Roth contributions only.

If the 2027 plan adds after-tax contributions with in-plan Roth conversions, that room becomes one of the most valuable features available to you. If it doesn't, a backdoor Roth IRA contribution is the fallback, provided you don't hold pre-tax IRA balances that would trigger the pro-rata rule.

Questions to ask yourself:

- Is my contribution percentage set to reach the actual 2026 limit of $24,500, not the $23,500 printed in the guide?
- Does my current mix of pre-tax and Roth reflect my expected retirement bracket and where I plan to live?
- If I'm in California now, am I taking full advantage of the deduction before a possible move?
- Am I subject to the Roth catch-up rule in 2027?

Your SpaceX Equity: Planning Your First Full Year as a Public Company

SpaceX priced its IPO at $135 per share on June 11, 2026, and began trading on Nasdaq as SPCX the next day. None of the decisions in this section happen in Workday, but they belong in your open enrollment planning.

Your RSU vesting will drive your 2027 tax bracket, your cash flow, and the value of nearly every election you've just made. And the timing of the IPO puts several of these decisions right on top of the benefits window.

The company's staged lock-up has been releasing shares in tranches since the first post-IPO earnings report in August, with the full 180-day release arriving around December 9.

The stock has given everyone a lesson in what public-market volatility feels like. It traded as high as about $225 shortly after the IPO, fell below $105 by early August, and had recovered above the offering price by September.

Mind the withholding gap on RSU vesting

When RSUs vest, SpaceX typically withholds federal tax at the flat supplemental rate: 22% on the first $1 million of supplemental wages in a year and 37% above that. If your actual marginal rate is 35% or 37%, the difference comes due in April.

On $400,000 of vesting in 2027, withholding at 22% sets aside $88,000 against an actual federal bill closer to $140,000, leaving a gap of about $52,000. California employees face a similar gap at the state level, since the state's supplemental rate on stock compensation is 10.23% and top marginal rates run as high as 13.3%.

Look at 2026 now, before the year ends. For many employees, this is the year the IPO turned paper equity into a very real tax bill. Estimated payments or a larger W-4 withholding election in the final paychecks of the year can close the gap.

If your adjusted gross income is above $150,000, paying in 110% of your prior-year tax generally protects you from underpayment penalties, even if the final bill is much larger.

Selling within the rules: lock-up, trading windows, and 10b5-1 plans Once the lock-up ends, SpaceX's insider trading policy governs when you can sell. For most public companies, that means quarterly trading windows that close in the weeks before each earnings release, and many stock-eligible employees are subject to them. A sale you intend to make in February may need to wait until the window reopens after fourth-quarter earnings.

10b5-1 Plans, Concentration and the ESPP

A Rule 10b5-1 trading plan lets you set a sales schedule in advance and have it execute automatically, even during a blackout. The catch is timing. Employees who aren't directors or officers must wait 30 days after adopting a plan before the first trade.

Directors and officers wait the later of 90 days or two business days after the next 10-Q or 10-K, up to a maximum of 120 days. A plan must also be adopted during an open window and when you're not aware of material nonpublic information. If you want a plan in place for early 2027 sales, the time to build it is in the next open window.

How much SPCX is too much?

For many SpaceX families, one stock now makes up the majority of their net worth. That can be true even for people who think of themselves as diversified, once you add unvested RSUs, ESPP shares, and any SpaceX stock in a brokerage account.

The August drawdown was a preview of how quickly a concentrated position can change your plans. A family whose SPCX shares were worth $6 million at the June high saw them fall below $3 million by early August.

A useful exercise is to decide in advance what share of your net worth you want in SpaceX stock and what you would do if it doubled or fell by half. Then build a selling schedule around the trading windows and your tax lots.

Shares from RSUs that vested before the IPO carry a cost basis equal to their value at vesting, and shares held longer than a year qualify for long-term capital gains rates. If charitable giving is part of your plan, gifting appreciated long-term shares to a donor-advised fund can reduce your concentration and your capital gains at the same time.

The ESPP election

SpaceX's Section 423 employee stock purchase plan was amended and restated in connection with the IPO, and the non-qualified ESPP was discontinued. The ESPP is a real enrollment decision with its own window, and it's easy to overlook during benefits season.

Federal rules cap purchases at $25,000 of stock per calendar year, measured at the price on the first day of the offering period.

The ESPP and Moving States

How you handle the shares matters as much as whether you enroll. Holding for at least two years from the start of the offering and one year from the purchase date produces a qualifying disposition, which shifts more of the gain to long-term capital gains rates.

Selling right after each purchase locks in the discount as ordinary income but keeps your concentration from growing. For an employee already heavily weighted in SPCX, the second approach is often the better fit.

If you plan to move, or already have

Many SpaceX employees have relocated from Hawthorne to Starbase or other Texas sites, or plan to. Moving to a state without an income tax doesn't erase California's claim on your equity. California taxes RSU income based on the share of workdays between grant and vest that you spent working in the state.

An RSU granted while you worked in Hawthorne that vests after you move to Texas is still partly taxable in California. The same logic applies to stock options, measured from grant to exercise.

Contrast that with your 401(k), which California can't tax once you've moved. Knowing which dollars follow you and which don't is the key to timing a move well. If you hold older incentive stock options, the rules changed in 2026 as well.

The AMT exemption now begins phasing out at $500,000 for single filers and $1 million for joint filers, at a faster rate than before, which makes exercise planning more sensitive than it used to be.

Questions to ask yourself:

- How much federal and state tax will I owe on my 2026 and 2027 vesting beyond what's being withheld?
- What share of my net worth is in SpaceX stock, including unvested RSUs, and what share do I want it to be?
- Do I need a 10b5-1 plan in place before early 2027, and when is the next open window to adopt one?
- Will I enroll in the ESPP, and will I hold the shares or sell them at purchase?
- If I've moved or plan to move out of California, how much of my equity income will California still tax?

Your 2027 Open Enrollment Checklist

Work through these questions before you submit your elections. If you can't answer one with confidence, that's usually the decision most worth a conversation.

Health insurance and HSA

- [ ] Have I reviewed my household's actual medical spending over the last two to three years?
- [ ] Does anyone in my family have a chronic condition, a planned procedure, an expected pregnancy, or regular Lyra therapy or SpaceX Health Center visits in 2027?
- [ ] Once SpaceX publishes 2027 rates, have I compared the total cost of the EPO, Medical PPO, Guide PPO, and HDHP in both a typical year and a worst-case year, including premiums, out-of-pocket maximums, and HSA tax savings?
- [ ] If I choose the HDHP, have I set my HSA contribution to reach the 2027 limit of $4,500 self-only or $9,000 family, net of SpaceX's $500 or $1,000 contribution, plus $1,000 if I'm 55 or older?
- [ ] If I live in California, have I accounted for the state taxing my HSA contributions and earnings?
- [ ] If I'm moving from an FSA to the HDHP, will my 2026 Health Care FSA balance be at zero by December 31?
- [ ] Can I pay routine medical costs from cash flow and leave my HSA invested, and am I saving receipts for future reimbursement?
- [ ] If I choose the EPO or a PPO plan, have I re-elected the FSA based only on predictable expenses?
- [ ] Do I have childcare or elder care costs that would benefit from the $7,500 dependent care FSA?

Life insurance

- [ ] Have I calculated how much coverage my family actually needs, net of savings, existing policies, and equity that vests at death?
- [ ] How much am I relying on SpaceX stock to meet that need, and am I comfortable with that?
- [ ] Is my need temporary, permanent, or a mix of both, and does my estate now raise a liquidity question?
- [ ] Have I projected my voluntary premiums through retirement across each age band?
- [ ] Since new or increased voluntary coverage requires Evidence of Insurability, have I priced an outside level term policy for the same amount and duration?
- [ ] Do I understand the imputed income on the $150,000 of basic coverage above $50,000?

Disability

- [ ] Do I know my true replacement rate as a percentage of total compensation, not just base pay?
- [ ] Would my after-tax benefit, capped at $10,000 a month, cover my household's fixed expenses?
- [ ] Have I read my award agreements to see what happens to unvested RSUs if I become disabled?
- [ ] Am I still within the LTD plan's 12-month pre-existing condition window?
- [ ] If I'm underinsured, have I explored individual own-occupation coverage or a supplemental executive disability plan?

401(k)

- [ ] Is my contribution percentage set to reach the actual 2026 limit, not the 2025 figure printed in the guide?
- [ ] Does my pre-tax and Roth mix reflect my expected tax bracket in retirement and the state I plan to retire in?
- [ ] Am I subject to the mandatory Roth catch-up rule for 2027?
- [ ] Does the 2027 plan offer after-tax contributions, and if not, should I make a backdoor Roth IRA contribution?
- [ ] Will I revisit my percentages when the IRS releases final 2027 limits this fall?

SpaceX equity

- [ ] Have I estimated the tax gap between RSU withholding and my actual liability for 2026 and 2027, and planned estimated payments?
- [ ] Do I have a target for how much of my net worth stays in SPCX, and a selling schedule built around trading windows?
- [ ] If I plan to sell in early 2027, do I need to adopt a 10b5-1 plan in the next open window?
- [ ] Have I made my ESPP election, and do I know whether I'll hold or sell the shares at purchase?
- [ ] If I've moved or plan to move from California, do I know how much of my equity income California will still tax?
- [ ] If I hold incentive stock options, have I modeled the AMT impact of exercising under the 2026 rules?

Coordination

- [ ] Have I reviewed these elections with my spouse or partner?
- [ ] Have I confirmed the tax implications with my CPA?
- [ ] Are my beneficiary designations current on my life insurance, 401(k), and HSA, and do my estate documents reflect the post-IPO value of my SpaceX shares?

TEMPO

Let’s Talk Before the Window Closes

None of these elections exist in isolation. Your HSA strategy affects your retirement bridge, your RSU vesting shapes your tax bracket and the value of every pre-tax dollar, and your disability and life coverage protect the plan that holds it all together. Looking at them side by side is what turns a benefits package into a financial plan.

Our team at Tempo Wealth has worked alongside SpaceX employees for years, and we understand the specifics of staged lock-ups, trading windows, RSU withholding gaps, and the California sourcing rules that can follow you to Texas.

If you’d like a second set of eyes on your 2027 elections, or simply want to talk through one decision you’re unsure about, I’d be glad to help.

Reach out to Tempo Wealth at **info@tempowealth.com** or call 440-568-3676.

Contact Us

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