

# Nike Employee Stock Purchase Plan

THE EMPLOYEE STOCK  
PURCHASE PLAN  
ALLOWS EMPLOYEES TO  
PURCHASE NIKE STOCK  
AT A SIGNIFICANT  
DISCOUNT.

## How does the Nike Employee Stock Purchase Plan (ESPP) work?

Through the Nike Employee Stock Purchase Plan, the company offers employees the opportunity to purchase a limited amount of Nike stock at a 15% (or greater) discount off of the stock's market price.

Each calendar year, participating employees may use up to 10% of their eligible pay to purchase the lesser of \$25,000 or 500 shares of Nike stock.

There are two offering periods each year: one from April 1 to September 30 and the other from October 1 to March 31. The first day of each period is the offering date and the last day is the purchase price. Employees participating in the program pay 85% of the lower of the market value on either the offering date or the purchase date. This means you'll receive at least a 15% discount, and possibly more if the stock's value increased since the offering date.

You select when you want to sell your shares of Nike stock purchased through the ESPP. If you sell them within a year, the discount you received plus the gain in value is taxed as ordinary income. If you hold the stock longer than a year, the discount is taxed as ordinary income, while stock returns accrue as long-term capital gains.

## Should I participate in the ESPP?

For most employees, it makes sense to make use of the Nike stock discount, but it's important to have a strategy to manage your purchased stock and address the tax impacts. Here are some questions to consider:

- How does Nike stock fit into your larger portfolio of investments? How concentrated a position of Nike stock are you willing to have in your portfolio?
- What's your expectation of the future growth of Nike stock? How much Nike stock do you want to keep in your portfolio?
- If you plan to sell Nike stock in the future to balance your portfolio, consider the impact of capital gains tax.

## Arnerich Massena can help.

Our planners are in your corner; we have decades of experience working with Nike executives and can help you explore options and find the best ways to make your Nike benefits work for you.

