



# US Benefits

## **Frequently Asked Questions – 401(k) Company Match Reinstatement**

*Effective October 1, 2020*

*Note: References in this FAQ are to 401(k) plan years and quarters, which are based on calendar year and quarters (and not on VMware fiscal year and quarters).*

### **1. When will the 401(k) company match be reinstated?**

Effective October 1, 2020, VMware will reinstate the company match to the 401(k) Plan. VMware will continue to match contributions dollar for dollar on a per pay period basis up to 6% of your eligible compensation up to a maximum of \$2,250 per quarter (up to \$6,750 annually for calendar year 2020).

The maximum match is pro-rated on a quarterly basis for eligible employees who join after Q1.

### **2. What is the maximum company match for 2020?**

The maximum match for calendar year 2020 is \$2,250 per quarter (up to \$6,750 annually) due to the match suspension during Q3 (July 1 – September 30, 2020).

### **3. What is a true-up and how will it work for calendar year 2020?**

A true-up is a 401(k) plan feature that ensures eligible employees receive their full eligible Company match.

Since the company match was suspended for Q3 of CY'20, employees are eligible for up to \$2,250 in Company match for each quarter they are eligible to participate in the Plan with the exception of Q3 (July 1 – September 30, 2020).

If you are eligible but don't contribute during a quarter or contribute an amount that yields less than your maximum eligible quarterly match (because, for example, you contributed the maximum amount early in the calendar year or vary your contributions throughout the year), you will not receive your full eligible match for that quarter. In such cases, the year-end true-up will provide your full eligible match for the amounts you contributed throughout the plan year, even if you did not receive the maximum Company match for each quarter you were an eligible employee.

You must be an eligible employee at the end of the plan year (December 31, 2020) to be eligible for the true-up match contributions for 2020.

**4. Will VMware match my contributions I made to the 401(k) Plan during Q3 CY'20?**

VMware will not retroactively apply match to pre-tax or Roth contributions made during Q3 CY'20. However, contributions that you made during Q3 CY'20 will count toward the year-end true up that will occur in early January 2021 (See Question 3). You must be an eligible employee at the end of the plan year (December 31, 2020) to be eligible for the true-up.

**5. I've already met the \$57,000 IRS contribution limit for 2020. How can I receive the additional match I may be owed from the true-up?**

If you have already met the \$57,000 IRS contribution limit for 2020, you will still be eligible to receive the true-up. To the extent that the true-up amount causes you to exceed the \$57,000 IRS contribution limit, the excess contributions that you made will be returned to you, adjusted for earnings and losses, by Fidelity by the end of March 2021.

**6. As a result of the annual maximum employer match for CY20 being increased by \$2,250, will the after-tax deferral maximum be equally decreased?**

Yes. Although the maximum total retirement plan contributions remains the same, at \$57,000 (plus an additional \$6,500 for participants aged 50 and over), the increase of \$2,250 to the CY20 maximum employer match means that for participants who are eligible for the full annual matching contribution of \$6,750, the revised CY20 after-tax maximum limit will change from \$33,000 to \$30,750. VMware Payroll is engaged to make this system change as soon as possible.

Below is a chart illustrating this change:

	Plan limits at time of reduced match (7/1/2020)	Revised Plan limits based on reinstated match (10/1/2020)	Difference
<b>(1) Maximum Plan Contributions</b>	\$57,000	\$57,000	\$0
<b>(2) Employee pre-tax and Roth 401(k) deferrals</b>	\$19,500*	\$19,500*	\$0
<b>(3) Employer Match</b>	up to \$4,500	up to \$6,750	+\$2,250
<b>After-tax limit: \$57,000 – (2) – (3)</b>	\$33,000	\$30,750	\$2,250

\*On top of the limits shown above, participants aged 50 and over can make additional pre-tax or Roth deferral of up to \$6,500 in 2020.

If you have already hit the \$33,000 after-tax limit and you are eligible for the true-up and want to understand your options to receive additional matching, please see Question 5.

**7. When was the 401(k) company match suspended?**

The 401(k) company matching contributions were suspended for the third quarter of calendar year 2020, July 1 – September 30, 2020.

**8. What contributions are eligible for the 401(k) Match?**

VMware will continue to match on pre-tax and Roth 401(k) contributions only. Catch-up and After-Tax contributions are not eligible for the 401(k) Match.

**9. How do I change my 401(k) contributions?**

You can update your contributions at any time via Fidelity's NetBenefits site at [401k.com](https://401k.com) or through Workspace ONE for SSO.

**10. How long does it take for my contribution change to go into effect?**

Changes can take 1-2 pay periods to go into effect.

The last day to make changes for the October 15, 2020 payroll is 5:00pm PT on October 2, 2020.

**11. Is the previous match of \$2,250 per quarter (\$9,000 annually) going to be restored for calendar year 2021?**

At this time, we expect the company match to be active for the full CY'2021.

For more information on the VMware 401(k) Plan, please visit the [U.S. Benefits 401\(k\) Page](#).

This document provides only a summary of the Company match feature of the VMware Inc. 401(k) Savings Plan and the Plan Document will govern in the event of discrepancies.