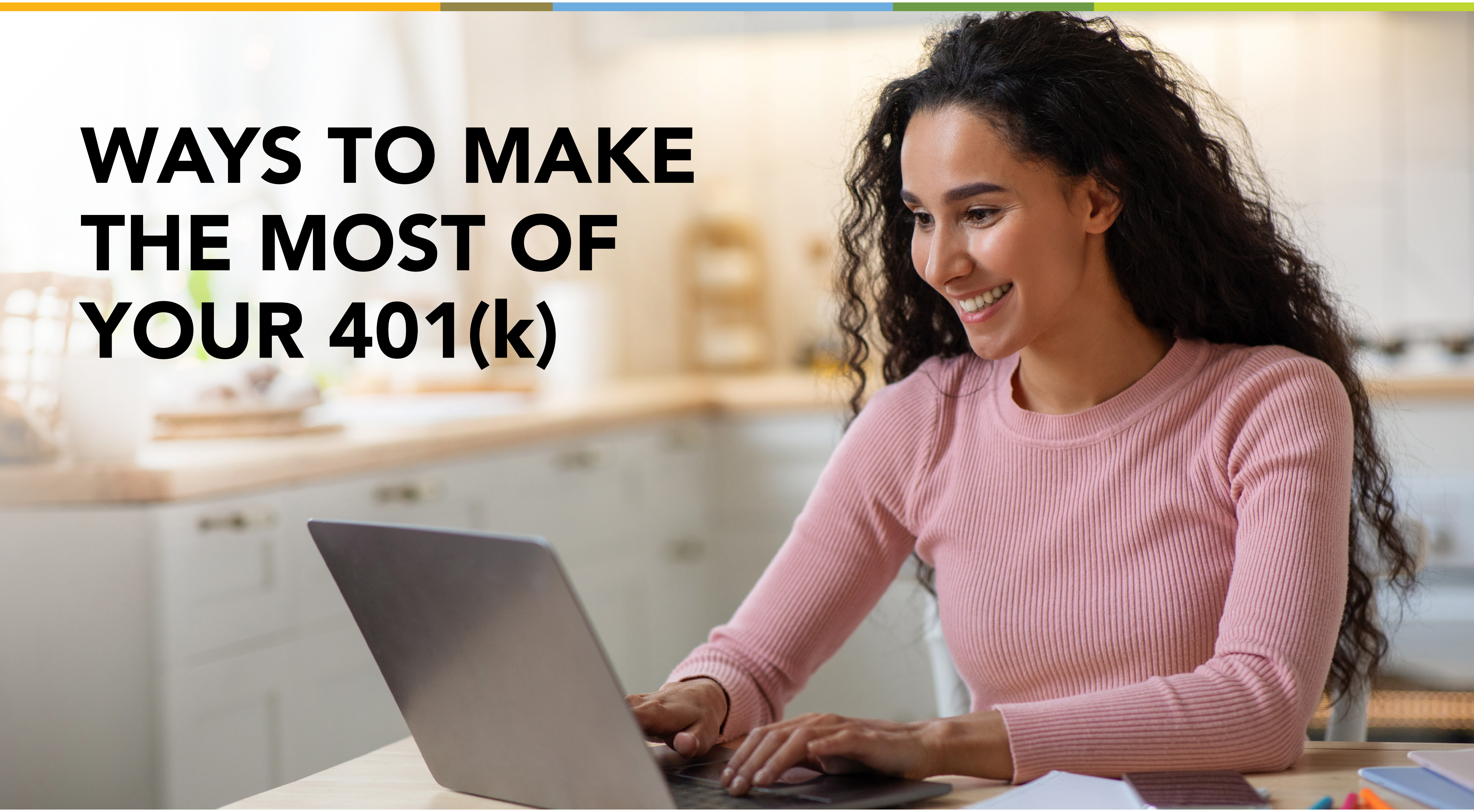
WAYS TO MAKE THE MOST OF YOUR 401(k)



NXP 401(k) RETIREMENT PLAN

BREAKING DOWN YOUR 401(k) RETIREMENT PLAN

Your NXP 401(k) Retirement Plan is designed to help you prepare for your financial future. Features of the plan include:

- The ability to contribute up to 75% of your eligible earnings in pre-tax, Roth and/or after-tax contributions. **After-tax contributions** allow you to save more than the annual IRS individual contribution limit for pre-tax/Roth contributions. **Tip**: Since after-tax contributions are not eligible for the company match, consider contributing enough pre-tax and Roth contributions to receive the full match before making after-tax contributions.
- The option to **convert your existing pre-tax balance and/or after-tax contributions to Roth** so you have the chance to potentially build more tax-free retirement income.

When you mix and match your contributions among the options below and take advantage of the Roth in-plan conversion feature, you can manage your current and future tax liabilities while helping to potentially increase your retirement income. See **"How much you can save"** to understand how the IRS lets you contribute.

You have *four* ways to save for retirement.

PRE-TAX CONTRIBUTIONS

Contribute pre-tax salary reduction dollars now; pay taxes when you withdraw your money in retirement.

ROTH CONTRIBUTIONS

Pay taxes on your contributions today so you have the potential to withdraw funds and earnings tax-free in retirement.[1]

AFTER-TAX CONTRIBUTIONS

Pay taxes on contributions today so you can withdraw funds tax-free in retirement; pay taxes on any investment earnings when you withdraw funds.

ROTH IN-PLAN CONVERSION

Opportunity to build more tax-free retirement income[1] by converting after-tax and/or pre-tax contributions to Roth so potential earnings can be withdrawn tax-free.

[1] A distribution from a Roth 401(k) is federally tax free and penalty free, provided the five-year aging requirement has been satisfied and one of the following conditions is met: age 59½, disability, or death.

COMPARING CONTRIBUTION TYPES

HOW MUCH CAN YOU SAVE?

One of the most important things to understand about your NXP 401(k) Retirement Plan is how much the IRS will let you contribute. There are two key limits to know about:

1. You can contribute up to the annual IRS contribution limit of $23,000 in 2024 ($30,500 if you're 50 or older by the end of the calendar year) in any combination of pre-tax and Roth contributions.

2. An additional IRS limit which is called the "annual additions limit," lets you and NXP together contribute up to $69,000 in 2024 ($76,500 if you're 50 or older). This includes all of your pre-tax and Roth contributions, your matching contributions from NXP and any after-tax contributions you make.

The bottom line: Make sure you're maximizing the benefits of the Plan. With the after-tax feature, you can continue contributing beyond the IRS limit for pre-tax and/or Roth. Plus, you can convert your after-tax contributions to Roth, through a Roth in-plan conversion and take advantage of extra tax benefits.

See When can I withdraw my Roth dollars tax-free?

COMPARING CONTRIBUTION TYPES (CONTINUED)

HERE IS HOW YOUR CONTRIBUTION TYPES COMPARE.

You can contribute to your NXP 401(k) Retirement Plan in any combination of traditional pre-tax contributions, Roth contributions and after-tax contributions. The amount you can contribute is limited by the Plan and the IRS. If you're age 50 or older, the IRS lets you contribute more in either pre-tax or Roth "catch-up" contributions.

Here's an overview

	PRE-TAX CONTRIBUTIONS	ROTH CONTRIBUTIONS	AFTER-TAX CONTRIBUTIONS
Is it eligible for the match?	**Yes**	**Yes**	**No**
Do I pay taxes when I contribute?	**No,** so it costs you less to save	**Yes,** so your take-home pay will be lower than if you made an equivalent pre-tax contribution	**Yes,** so your take-home pay will be lower than if you made an equivalent pre-tax contribution
Do I pay taxes on contributions when I withdraw them?	**Yes,** you'll pay taxes on both contributions and any related earnings at withdrawal	**No,** you can withdraw both contributions and related earnings tax-free in retirement[1]	**No,** you can withdraw after-tax contributions tax-free in retirement, but you'll pay taxes on any earnings
Do I pay taxes on earnings when I withdraw them?	**Yes**	**No,** as long as it is considered a qualified withdrawal[1]	**Yes**
What are the Plan contribution limits?	1% to 75% of eligible pay, up to the IRS limits		
What are the IRS or Plan contribution limits for pre-tax, Roth, and after-tax?	$23,000 in 2024 in any combination of pre-tax and Roth (if age 50 or older, you may contribute an additional $7,500 in catch-up contributions)		IRS annual additions limit applies, see below
What is the IRS annual additions limit for all my contributions?	$69,000 in 2024 for NXP's matching contribution and your pre-tax, Roth and after-tax contributions ($76,500 if age 50 or older)		

[1]A distribution from a Roth 401(k) is federally tax free and penalty free, provided the five-year aging requirement has been satisfied and one of the following conditions is met: age 59½, disability or death.

COMPARING CONTRIBUTION TYPES (CONTINUED)

Below are the IRS and Plan limits for each type of contribution. Assuming your annual pay is $100,000, contributing a minimum of 5% in pre-tax and/or Roth will get you the full company match. If you were to contribute 23% you'd be able to reach the IRS limit of $23,000.

Pre-tax contributions + Roth contributions + Matching contributions + After-tax contributions that can also be converted to Roth = Total contributions

Pre-tax contributions + Roth contributions	Matching contributions	After-tax contributions that can also be converted to Roth	Total contributions
$23,000 ($30,500 if age 50+)	$5,000	$10,000 (10% of annual pay)	$38,000[1]

[1]Certain scenarios might result in contributions that are less than this amount or exceed the IRS limits of $69,000 or $76,500 if age 50 or older. If the amount exceeds the IRS limits, refunds may be required.

TAKE ADVANTAGE OF MATCHING CONTRIBUTIONS

Did you know that NXP matches a percentage of the contributions you make to your 401(k) Retirement Plan account? NXP will match 100% of what you contribute, up to 5% of your eligible earnings. That's like getting "free" money!

ROTH CONTRIBUTIONS IN YOUR 401(k) RETIREMENT PLAN

Roth 401(k) dollars give you an opportunity for potentially tax-free income in retirement. Your Roth 401(k) dollars (including any related earnings) are federally tax-free for a qualified withdrawal.

WHEN CAN I WITHDRAW MY ROTH DOLLARS TAX-FREE?

In exchange for tax benefits, the IRS limits when you can withdraw Roth money federally tax-free by requiring a five-year holding period and other conditions.

- **In general, Roth withdrawals are federally tax-free** if taken after age 59½, or due to disability or death, and after the five-year holding period is met.
- **The five-year "clock" generally starts** from the first day of the calendar year in which you make your first Roth contribution or from the first Roth in-plan conversion.
- **The sooner you make your first Roth contribution or Roth in-plan conversion**, the sooner your Roth five-year clock can start.

HOW IS THE MATCH ON MY ROTH CONTRIBUTIONS HANDLED?

While you are eligible to make Roth contributions, the company match is typically taxable upon withdrawal. The company match can be converted to Roth. See the **Roth In-Plan Conversions Explained** section for how taxes are handled.

I HAVE AN INDIVIDUAL RETIREMENT ACCOUNT (IRA). DOES THAT AFFECT MY 401(k) RETIREMENT PLAN?

No. Your IRA accounts (either traditional and/or Roth) do not affect the amount you can contribute to your 401(k) Retirement Plan account. **Learn more** **about how much you can contribute to your 401(k) Retirement Plan.**

ROTH CONTRIBUTIONS IN YOUR 401(k) RETIREMENT PLAN (CONTINUED)

WHAT IS THE DIFFERENCE BETWEEN ROTH IN MY 401(K) RETIREMENT PLAN AND A ROTH IRA?

A Roth 401(k) is similar to a Roth IRA, but there are three key differences, due to IRS rules:

1 **A Roth 401(k) has no income limit.**
The amount you can contribute to a Roth IRA depends on your annual income. In 2024, the amount you can contribute starts to phase out once your income reaches $146,000 for single filers ($230,000 for married couples filing jointly). You are not eligible to contribute to a Roth IRA once your annual income reaches $161,000 for single filers in 2024 ($240,000 for married couples filing jointly).

A Roth 401(k) does not have an income limit. Even if you earn too much to contribute to a Roth IRA, you can still make Roth contributions in your NXP 401(k) Retirement Plan and make Roth in-plan conversions.

2 **You can contribute more to a Roth 401(k).**
Contributions to a Roth IRA are limited to $7,000 ($8,000 if you are age 50 or older) in 2024, depending on your income. However, you can contribute much more to a Roth 401(k). In 2024, you can contribute up to $23,000 in pre-tax and Roth contributions combined ($30,500 if you are age 50 or older).

AFTER-TAX CONTRIBUTIONS IN YOUR 401(k) RETIREMENT PLAN

As the name suggests, after-tax contributions come out of your pay after taxes, which means you pay taxes upfront, at your current tax rate. Because you've already paid taxes on your contributions, you will not have to pay taxes when you withdraw contributions later.

Note, you will owe taxes on the value of any related investment earnings at the rates in effect at the time of withdrawal. If you want to help limit your tax liability, you can use the Roth in-plan conversion feature to convert after-tax contributions to Roth. See how **Roth in-plan conversions** work.

DOES NXP MATCH MY AFTER-TAX CONTRIBUTIONS?

No. After-tax contributions are not eligible for the NXP match.

ARE THERE LIMITS TO HOW MUCH I CAN CONTRIBUTE AFTER-TAX?

Yes. NXP limits all contributions, including after-tax contributions, up to 75% of eligible compensation. This helps keep total contributions to your account under the annual additions limit. It also ensures the Plan is compliant with non-discrimination rules for highly compensated employees. Find more information in the **Things to Consider** section.[1]

CAN I MAKE AFTER-TAX CONTRIBUTIONS WITHOUT CONVERTING THEM?

Yes. However, keep in mind that earnings on after-tax contributions will be taxable when withdrawn. If you later decide to convert after-tax contributions to Roth, you will owe taxes on any earnings at the time of conversion. You can withdraw your after-tax contributions at any time. Learn more in the **Roth In-Plan Conversions Explained** section.

WHO MIGHT CONSIDER AFTER-TAX CONTRIBUTIONS?

Consider after-tax contributions if you plan to contribute up to the IRS pre-tax/Roth limit of $23,000 ($30,500 if you're 50 or older) and want to save more. This may also be an attractive option if you want to build potentially more tax-free retirement income by converting your after-tax dollars to Roth.

[1]The Plan is subject to non-discrimination testing, and you may receive a partial refund of your after-tax contributions if the Plan fails testing.

ROTH IN-PLAN CONVERSIONS EXPLAINED

A Roth in-plan conversion allows you to convert pre-tax and/or after-tax contributions that are already in your 401(k) Retirement Plan to Roth, within the Plan. This gives you the chance to build tax-free retirement income, and it can help you to manage your taxes both now and in the future.

Once contributions are converted, you generally can withdraw those converted dollars—including any related earnings—federally tax-free in retirement under the terms of the Plan. In general, that will be at least five tax years from your first Roth contribution or Roth in-plan conversion, and once you reach age 59½ or die or become disabled.

HOW ARE TAXES HANDLED FOR A ROTH IN-PLAN CONVERSION?

You will owe taxes on any money that has not been taxed before, including rollover contributions. Income taxes are not withheld at the time of conversion, so you will be responsible for these taxes when you file your tax return.

- **When you convert after-tax contributions**, you will owe taxes on any investment earnings that have accrued before your conversion date.
- **When you convert pre-tax contributions**, you will owe taxes on your contributions as well as any investment earnings that have accrued before your conversion date. Be sure to budget for the additional tax liability each year you convert pre-tax contributions to Roth.

HOW DO I CONVERT MY 401(K) RETIREMENT PLAN MONEY TO ROTH?

To convert your after-tax (or pre-tax) contributions to Roth, call **844-NXP-401K (844-697-4015)** to reach the NXP Retirement Service Center. There are two ways to convert:

1. Automated daily conversions.

Automated daily conversions are designed to make converting after-tax contributions simpler. Call the NXP Retirement Service Center at **844-NXP-401K (844-697-4015)** to sign up. Automated daily conversions help reduce your tax liability by eliminating the time that after-tax contributions, deducted through payroll, will have to accrue taxable earnings.

2. One-time conversion.

Call the NXP Retirement Service Center at **844-NXP-401K (844-697-4015)**. Tell the representative you are considering converting your existing pre-tax and/or after-tax account balance to Roth. Note that any pre-tax contributions and previous earnings will be taxable in the year converted.

ROTH IN-PLAN CONVERSIONS EXPLAINED (CONTINUED)

WHO MIGHT BENEFIT FROM ROTH CONTRIBUTIONS OR ROTH IN-PLAN CONVERSIONS?

Roth 401(k) dollars are designed for anyone who likes the idea of potentially tax-free retirement income. These five scenarios detail when Roth 401(k) dollars might be beneficial for you.

For help evaluating your own situation, call the NXP Retirement Service Center at **844-NXP-401K (844-697-4015)**.

1. **You are young.**
   In general, the younger you are when you start making Roth contributions, the more you might benefit. That is because you generally have more time to let your contributions grow.

2. **You want tax flexibility in retirement.**
   Once you retire, your expenses may vary more year-to-year than they do today. Roth dollars can help you cover your expenses without increasing your taxable income for the year.

3. **Your income tax rate will be higher in the future.**
   If you expect your pay to rise over time you will be subject to a higher tax rate in the future. Making Roth contributions or Roth in-plan conversions let you pay taxes upfront, at your current tax rate.

4. **You are not eligible to contribute to a Roth IRA.**
   Unlike a Roth IRA, there are no income limits for making Roth contributions to your NXP 401(k) Retirement Plan. So, if you are not eligible to contribute to a Roth IRA, consider Roth contributions in your 401(k) Retirement Plan.

5. **You would like to leave tax-free money to your heirs.**
   If you want to leave your retirement savings to your beneficiaries, Roth dollars are potentially free of federal income taxes. Consult an expert before attempting to use your 401(k) Retirement Plan as part of your estate plan.

ROTH IN-PLAN CONVERSIONS EXPLAINED (CONTINUED)

CAN A ROTH IN-PLAN CONVERSION REALLY MAKE A DIFFERENCE?

While after-tax contributions come out of your account tax-free, the earnings on those contributions are taxable. Converting after-tax contributions to Roth as soon as possible gives them less time to generate earnings, which helps reduce taxes on the conversion. Without conversions, the potential taxes at withdrawal could be substantial.

Here is an example.

Alex contributes $10,000 in after-tax contributions every year from age 35 to 65 and earns a hypothetical annual return of 6%.

Without Roth conversions, Alex's tax bill at retirement could be substantial.

Without Roth in-plan conversions

$790,000
Account balance, including estimated earnings of $490,000

-

$171,500
Estimated taxes at retirement

=

$618,500
After-tax account at age 65

With Roth in-plan conversions

$790,000
Account balance, including estimated earnings of $490,000

-

$0
Estimated taxes at retirement[1]

=

$790,000
After-tax account at age 65

In this example, Alex saves **$171,500** in taxes on earnings by making regular Roth in-plan conversions.

A distribution from a Roth 401(k) is federally tax-free and penalty-free, provided the five-year holding period has been satisfied and one of the following conditions is met: age 59½, disability or death.

[1]Taxes on earnings are due in the year of conversion.

This hypothetical example is calculated assuming a 35% federal income tax bracket and annual contributions of $10,000 made each year until age 65 with tax-deferred compounding at a hypothetical 6% annual rate of return. No loans or withdrawals are taken before age 65. Your own experience may differ. This example is for illustrative purposes only, is not intended to provide tax advice, and does not represent the performance of any security. Consider your anticipated investment horizon when making an investment decision, as the illustration may not reflect this. This example is not guaranteed. Investments that have the potential for a 6% rate of return also come with the risk of loss. Earnings on after-tax contributions are subject to taxes when withdrawn or converted and may be subject to a 10% penalty if taken before requirements for a qualified withdrawal have been met.

THINGS TO CONSIDER

WANT TO SAVE MORE?

Make after-tax contributions after reaching the IRS limit for pre-tax and Roth contributions. With your pre-tax, Roth, after-tax contributions and company match, you and NXP together can contribute a combined total of $69,000, or $76,500 if you're age 50 or older in 2024.

ARE YOU AGE 50 OR OLDER?

If you are age 50 or older, you'll automatically contribute to catch-up contributions once you hit the $23,000 IRS contribution limit for 2024. This means that you can save up to $30,500, the catch-up limit in 2024. Make sure to consider the catch-up contribution when you're allocating savings into your NXP 401(k) Retirement Plan.

IS IT POSSIBLE TO EXCEED THE TOTAL IRS CONTRIBUTION ANNUAL LIMIT?

The 2024 IRS limit for all contributions to a retirement plan for an individual is $69,000 ($76,500 if you're 50 or older). To ensure you do not exceed the annual limit, NXP U.S. Payroll will monitor your contributions to your NXP 401(k) Retirement Plan; however, if you're eligible for a true-up contribution, posted in January of the following year, you may exceed the annual limit. If so, Fidelity will return any contributions that exceed the annual limit, less any losses. Any earnings on the excess contributions will be taxable in the year of distribution.

WANT TO DO MORE?

To take advantage of extra tax benefits, consider converting your after-tax contributions to Roth with a Roth in-plan conversion. You can also convert pre-tax contributions.

HERE ARE WAYS TO MAKE THE MOST OF YOUR 401(k) RETIREMENT PLAN.

- **Consider contributing up to the IRS limit of $23,000 in pre-tax and/or Roth to your NXP 401(k) Retirement Plan in 2024**, plus an additional $7,500 if age 50 or older.
- **Contribute at least 5% in pre-tax and/or Roth to get the full company match.** NXP will match 100%, up to 5% of your eligible pay, when you contribute to your NXP 401(k) Retirement Plan.
- **Save even more with after-tax contributions after reaching your pre-tax and Roth limits.** Consider a Roth in-plan conversion to convert your after-tax contributions, which gives you an opportunity to build potentially more tax-free retirement income.

EXAMPLES OF PEOPLE LIKE YOU

LEE

Annual pay: $120,000

I am so glad to see that we can use a Roth in-plan conversion to convert after-tax contributions to Roth within my 401(k) Retirement Plan.

I am early in my career and anticipate retiring in a higher tax bracket than I am right now. With the Roth in-plan conversion, I can convert my after-tax money to my Roth account, pay taxes on the earnings now at my current tax bracket, then withdrawal money in retirement potentially tax free! That means that any earnings in my Roth account aren't taxed when I make a qualified withdrawal in retirement. This can save me a lot by the time I'm ready to retire.

CAROL

Annual pay: $200,000

I wanted to make Roth contributions to my 401(k) Retirement Plan but didn't think I could since, according to the IRS, I make too much to contribute to a Roth IRA. I thought the same rules apply when making Roth contributions to a 401(k). Then I met with a Fidelity representative who explained that there is no income limit for my NXP 401(k) Retirement Plan. Anyone can make Roth 401(k) contributions. Plus, I learned that the IRS contribution limit is higher for my 401(k) than it is for a Roth IRA[1]. So, I changed my 10% contribution from pre-tax to Roth.

[1]In 2024, you can contribute up to $23,000 in any combination of pre-tax and Roth contributions, or $30,500 if you are age 50 or older. Plus, you can save even more in after-tax contributions. **Examples are fictional employees for illustrative purposes only.**

WANT HELP?

Take advantage of available resources to learn more about your 401(k) Retirement Plan and your contribution options.

GET ONE-ON-ONE HELP TO UNDERSTAND YOUR NEXT STEPS.

For help understanding the Roth and after-tax features, call the NXP Retirement Service Center at **844-NXP-401K (844-697-4015)**. We also encourage you to connect with your own financial advisor.

CHANGE YOUR CONTRIBUTION ELECTIONS.

Update your contribution elections by calling **844-NXP-401K (844-697-4015)** or visiting NetBenefits. Log in to NetBenefits, select *Contribution Amount*, then enter a percentage for your preferred contribution types.

LOG IN

REQUEST ROTH IN-PLAN CONVERSIONS.

Request a conversion at **844-NXP-401K (844-697-4015)**.