



**Hewlett Packard
Enterprise**

OVERVIEW

CONTRIBUTION
OPTIONS

HOW AFTER-TAX
CONTRIBUTIONS WORK

HOW ROTH IN-PLAN
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HAVE QUESTIONS?

Save more with the HPE 401(k) Plan

Get to know these
plan features:
After-tax contributions &
Roth in-plan conversion



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Different ways to save

No matter your financial situation or career stage, HPE wants to help you achieve your retirement goals. We offer the Hewlett Packard Enterprise 401(k) Plan (the HPE 401(k)), giving you a tax-advantaged way to save for retirement.

We offer two features in the HPE 401(k) to help you increase your savings now while potentially building tax-free income in retirement. You can:

- 1) Make **after-tax contributions** in addition to pre-tax and Roth contributions, and
- 2) Convert your after-tax contributions* to Roth using the **Roth in-plan conversion feature**

When you mix and match your HPE 401(k) contribution types and take advantage of the Roth in-plan conversion feature, you can manage your current *and* future tax liabilities while helping to increase your retirement income. **Click through this guide to learn how.**

How you can contribute to the HPE 401(k)

Pre-tax contributions



Contribute tax-deferred money today; pay taxes when you withdraw funds in retirement**

Roth contributions



Pay taxes on your contributions today; take tax-free withdrawals in retirement**

After-tax contributions



Save more than the annual
IRS contribution limits**



Plus...Roth in-plan conversion

Build potentially more tax-free retirement income
by converting after-tax contributions to Roth**

* In addition to after-tax contributions, you may also be able to convert your prior pre-tax and matching contributions into Roth contributions using this in-plan conversion feature, albeit with a more significant tax impact at time of conversion. See [page 6](#) for more details.

** Pre-tax and Roth contributions are limited to \$23,500 in 2025 (or \$31,000 if you're 50 and older). 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. Please see [page 8](#) for more information.

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How these benefits work

The HPE 401(k) allows you to contribute up to 50% of your eligible pay per pay period in pre-tax and Roth contributions combined, up to the annual IRS limit of \$23,500 (or \$31,000 if you're 50 or older). The IRS refers to this as the 402(g) limit.

You also have the option to make after-tax contributions—and save *beyond* the 402(g) limit—up to an additional \$23,500* of eligible pay this year.

With the after-tax feature, you have the ability to save more and take advantage of the HPE 401(k)'s tax and investment benefits.

However, after-tax contributions don't have the same tax advantages that Roth contributions have. So, with the Roth in-plan conversion feature, you can convert your after-tax contributions to Roth—and maximize the tax benefits the HPE 401(k) offers while potentially reducing your taxes in retirement.

YOUR STEP-BY-STEP GUIDE TO MAKING THE MOST OF THE HPE 401(k)

Get started

Consider contributing at least 4% on a pre-tax and/or Roth basis and get the full HPE match.

Want to save more?

In 2025 you can save up to \$23,500 in pre-tax and/or Roth contributions.

If you are 50 or older, you can save up to an additional \$7,500 in pre-tax and/or Roth catch-up contributions.

Still want to save more?

Consider saving up to an additional \$23,500 through after-tax contributions. You can contribute up to a total of \$47,000 this year across all contribution types (\$54,500 if you're 50 or older).

Want to make your after-tax contributions more tax-effective?

Consider converting them to Roth dollars.

* The \$23,500 annual limit on savings beyond the 402(g) limit may be adjusted up or down by HPE in the future.

Contribution options

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Your contribution options

The HPE 401(k) offers you three ways to save: pre-tax contributions, Roth contributions, and after-tax contributions. Spreading your savings among these options lets you choose when and how to pay taxes on your contributions and earnings.

Here's an overview

	Pre-tax contributions	Roth contributions	After-tax contributions
How much can I contribute?	Up to 50% of your eligible pay in combined pre-tax/Roth contributions The IRS also limits your combined pre-tax/Roth contributions to \$23,500 (\$31,000 if you are at least age 50 at the end of the calendar year)		Up to \$23,500 of eligible pay in 2025
Are contributions eligible for the HPE match?	Yes. HPE matches 100% of the first 4% of pay you contribute (Note: Catch-up contributions are not matched)		No.
Are contributions taxable?	No. Contributions are deducted from your paycheck <i>before</i> taxes	Yes. Contributions are deducted from your paycheck <i>after</i> taxes	
Are withdrawals taxable?	Yes. Contributions and related earnings are taxed at withdrawal, and may be subject to an early withdrawal penalty if taken before age 59½	No. Contributions and related earnings are tax-free for qualified withdrawals*	Yes and no. Contributions are tax-free at withdrawal, but you'll pay taxes on any earnings when withdrawn
What are my investment options?	You have the same investment options for all contribution types. Learn more at My HPE Financial Wellness		

* 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. Please see [page 8](#) for more information.

Contribution options

Are pre-tax or Roth contributions right for you?

Before making after-tax contributions, remember to consider maximizing the benefits available to you by making pre-tax and/or Roth contributions. Both types of contributions offer tax advantages and a company match. So how do you know what's right for you?

Here are a few questions to ask yourself to help you determine the right contribution mix for your needs. We also encourage you to check with your tax or financial advisor to determine the best option for your situation.



Want to reduce your taxable income now?

If you'd like to reduce the amount you're paying in taxes now, pre-tax contributions may be right for you. Remember, pre-tax contributions come out of your paycheck before taxes, so the amount of your pay that's taxed is less.



Think your income tax rate will be higher in the future?

If you expect your salary to rise over time—or if you simply think your tax rate will be higher in retirement—consider making Roth contributions so you can pay taxes upfront at your current rate. If you expect to be in a lower tax bracket in retirement, you may want to consider pre-tax contributions.



Want tax flexibility in retirement?

Once you retire, your expenses may vary year to year. In years with higher expenses, you may want to draw income from pre-tax contributions for your regular spending, and use tax-free Roth money for large or unexpected expenses. Having a blend of both contribution types can help you cover your needs without increasing your taxable income for the year.



Not eligible to contribute to a Roth IRA because of income limits?

A Roth IRA allows you to supplement your savings for the future but has IRS income restrictions that can prevent some employees from contributing. However, 401(k) plans don't have these same restrictions.

So, if you're not eligible to contribute to a Roth IRA, having Roth contributions in your 401(k) can help provide potentially tax-free money to draw on in retirement.

How after-tax contributions work

A closer look at after-tax contributions

Similar to Roth contributions, after-tax contributions are made into your account after corresponding taxes have been deducted from your pay. Because you have already paid taxes on the amount contributed, you don't pay taxes on that original contribution amount when you make a withdrawal.

However, unlike Roth, you owe taxes on the value of any related investment earnings when you withdraw them. Also, unlike Roth or pre-tax contributions, you are generally able to withdraw from your after-tax contribution account at any time, even while working at HPE and before reaching age 59½.

Keep in mind

You can use the Roth in-plan conversion feature to convert after-tax contributions to Roth, giving them the same tax advantages as Roth contributions. However, when you convert, you owe taxes on any investment earnings in the year of conversion. See [page 8](#) for more information.

You might consider after-tax contributions if you...

- Plan to save to the IRS limit using pre-tax and/or Roth contributions—and want to save more
- Want the option to build potentially more tax-free retirement income by converting after-tax to Roth

YOUR TOTAL SAVINGS OPPORTUNITY

Pre-tax contributions + Roth contributions

\$23,500
(\$31,000 if 50+)

2025 combined pre-tax and Roth contributions limit

+

After-tax contributions

\$23,500
2025 after-tax contributions limit

=

Total 2025 savings opportunity

\$47,000
(\$54,500 if 50+)

How Roth in-plan conversion works

IMPORTANT!

Roth in-plan conversions are irreversible. Be sure to understand the tax implications of making a Roth in-plan conversion before you make a conversion.

A closer look at Roth in-plan conversions

A Roth in-plan conversion allows you to convert your after-tax 401(k) contributions to Roth contributions. This gives you the chance to improve the tax advantages of your existing balance and build additional tax-free retirement income while helping you to manage your taxes both now and in the future. Keep in mind that when you convert, you owe taxes on any investment earnings in the year of conversion. In addition, when you convert your contributions to Roth, you will be restricted in when you are able to withdraw the money tax-free from your Roth account without penalty.

Here's how it works

Contact Fidelity to use the Roth in-plan conversion feature to convert your after-tax contributions to Roth



When you convert, you'll owe taxes on any investment earnings in the year of conversion



Once converted, your investment earnings are tax free upon withdrawal*

Keep in mind

When you're thinking about a Roth in-plan conversion, make sure you:

- Are comfortable paying income taxes with money held outside of the HPE 401(k) for previously untaxed contributions or investment earnings
- Understand the rules for taking a qualified Roth distribution and the taxes and penalties that may apply if these rules aren't followed

You might consider Roth contributions or a Roth in-plan conversion if you...

- Want to pay taxes on your contributions when you're working instead of when you're retired
- Aren't eligible for a Roth Individual Retirement Account (IRA) because of income limits
- Expect your tax rate to be higher in the future
- Want tax-free income in retirement
- Want to use different contribution types to manage varying expenses in retirement—without increasing your taxable income

CONVERTING OTHER CONTRIBUTION TYPES

In addition to after-tax contributions, you may also be able to convert your prior pre-tax and matching contributions into Roth contributions using this in-plan conversion feature, albeit with a more significant tax impact at time of conversion. In this guide we primarily focus on the ability to convert after-tax contributions to Roth. If you'd like to learn more about converting your prior pre-tax and matching contributions to Roth contributions, visit [My HPE Financial Wellness](#).

* 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. Please see [page 8](#) for more information.

How Roth in-plan conversion works

There are two ways to convert

1

Elect automated conversions*

This is the simplest way to convert your entire after-tax balance to Roth regularly—and minimize your taxes on earnings of any new after-tax contributions. If you elect this service, Fidelity checks its system each day for any new contributions made to your account. Once you elect this service, there is no need for any further action from you unless you wish to discontinue future conversions. However, it is recommended that you regularly check that conversions are occurring as expected.

2

Make a one-time conversion

If the automated service is not right for you, or if you want to convert eligible pre-tax contributions, you may request a Roth in-plan conversion at virtually any time by calling Fidelity. This gives you the flexibility to decide when and how much to convert, but you'll need to remember to take action.

Get started

Call Fidelity to initiate a Roth in-plan conversion. Whether you want to elect automated conversions or make a one-time conversion, or need help deciding which method is right for you, Fidelity can help. Call the HPE Retirement Service Center at **1-800-409-4015** to discuss your options and pick the conversion method that's right for you.

IMPORTANT!

If you elect the automated Roth conversion feature, this daily process can help reduce your tax liability on each conversion, because it reduces the time the incoming new after-tax money would be accruing taxable earnings. We encourage you to consult your tax advisor for more information before executing a conversion or requesting a withdrawal.

Once converted, you can withdraw converted dollars—including any related earnings—federally tax free in retirement, as long as your withdrawal is taken at least five years from the year of your first Roth contribution or Roth in-plan-conversion and after you reach age 59½, or are disabled or deceased.

* Note: If you elect this feature, you have the option to first “clear out” any existing after-tax contributions in your 401(k) account. This means removing them from your account, either through a distribution and rollover to a traditional and/or Roth IRA, or by making a Roth in-plan conversion within the 401(k). If you don't clear any existing after-tax contributions from your account prior to electing the automated service, future Roth in-plan conversions may contain a taxable component and will not be tax free. You will be responsible for paying taxes on the full value of any associated investment earnings generated prior to your conversion date.

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How Roth in-plan conversion works

How a conversion impacts taxes

It's important to talk to your personal tax advisor before deciding to make a Roth in-plan conversion. When you convert after-tax contributions, you'll owe taxes on any investment earnings generated before your conversion date. Income taxes are not withheld at the time of conversion, so unless you elect automated conversions, you may need to make estimated tax payments to the IRS to avoid underpayment penalties.

In January, you'll receive a Form 1099-R from Fidelity showing the value of any Roth in-plan conversions you made during the previous year. You must report these amounts when you file your taxes, and pay any required tax on the investment earnings.

THE ROTH FIVE-YEAR RULE

In exchange for tax benefits, the IRS limits tax-free Roth withdrawals by requiring a five-year holding period. The five-year "clock" starts from the year of your first Roth contribution or, if no Roth contributions, from the first Roth in-plan conversion. 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. Consult your tax advisor for more information and before executing a conversion or requesting a withdrawal.

ROTH IN-PLAN CONVERSION	ROTH CONTRIBUTIONS + ROTH IN-PLAN CONVERSION
2025 Your first after-tax contributions ↓	2021 Your first Roth contributions ↓
2026 Your first Roth in-plan conversion ↓	2026 Your first after-tax contributions and Roth in-plan conversion ↓
2030 All Roth funds in your account are eligible for federally tax-free withdrawal if you are at least 59½.	2026 All Roth funds in your account are eligible for federally tax-free withdrawal if you are at least 59½.

How Roth in-plan conversion works

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An example: the difference a Roth in-plan conversion can make

The example below shows how making after-tax contributions and converting them to Roth contributions in the HPE 401(k) Plan can mean additional tax savings in the future.

JULIE, AGE 50

Annual eligible compensation: \$100,000

- Contributes up to the \$23,500 pre-tax and/or Roth 401(k) contribution limit each year and receives the full HPE match
- Chooses to contribute an additional \$10,000 in after-tax contributions
- Elects automated Roth in-plan conversion of her after-tax contributions

	Making after-tax contributions without a Roth in-plan conversion	Making after-tax contributions and a Roth in-plan conversion
Annual after-tax contributions for 15 years	\$150,000	\$150,000
Accumulated balance after 15 years	\$240,000	\$240,000
Taxes on after-tax earnings upon distribution	\$23,000	\$0*
Remaining balance after taxes	\$217,000	\$240,000

By regularly making Roth in-plan conversions, Julie is able to generate an additional \$23,000 in after-tax retirement savings.

This hypothetical example assumes a 6% annual rate of return, that no loans or withdrawals are made during the investment period and a tax rate of 25% at distribution. Distributions before age 59½ may also be subject to a 10% penalty. This example is for illustrative purposes only and does not represent the performance of any security. Consider your current and anticipated investment horizon when making an investment decision, as the illustration may not reflect this. The assumed rate of return used in this example is not guaranteed. Investments that have potential for 6% annual rate of return also come with the risk of loss.

*This example also reflects that taxes on any earnings will be due at the point of conversion to Roth but can be minimized through automated daily Roth in-plan conversions.

Have questions?

We're here to help

There are plenty of resources to help you better understand the HPE 401(k) contribution types and whether making after-tax contributions or a Roth in-plan conversion is right for you.



Get free one-on-one support

Call a Fidelity Workplace Planning Consultant at **1-800-409-4015** who can help you:

- Review your personal financial situation
- Help you understand your contribution options
- Explain how Roth in-plan conversions work
- Help you complete a Roth in-plan conversion or sign up for automated conversion of your 401(k) contributions

Looking for more?

- Watch a [video](#) explaining all of the different HPE 401(k) contribution options
- Explore [My HPE Financial Wellness](#) for articles, videos, and tools covering a range of financial topics
- Call the EY Financial Planner Line at **1-877-998-4HPE (4473)**, weekdays 6 a.m. to 5 p.m. PT (8 a.m. to 7 p.m. CT)

Investing involves risk, including risk of loss.

Information contained within this document is subject to change. If there are any inconsistencies between this brochure and the official HPE 401(k) plan documents, the terms in the official plan documents will govern.

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