



# Hewlett Packard Enterprise

## U.S. VOLUNTARY CAREER TRANSITION PROGRAM

This information provides answers to questions you might have about the U.S. Voluntary Career Transition Program (“the Program”). For additional details, see the briefing replay, Summary Plan Description, and other resources at [U.S. Voluntary Career Transition Program](#) (user name: HPE, password: Voluntary).

### General FAQs

#### Why is HPE offering the Program?

HPE is offering the Program as part of the transformation work we started two years ago to drive efficiencies and growth, and as a way to recognize the significant contributions that longer-service U.S. team members have made to our success. The Program offers special financial and transitional support to eligible team members who may be considering the next phase of their lives. Accepted team members will use their remaining time to share their knowledge and experience with other HPE colleagues. The Program is completely voluntary and not the start of a new restructuring initiative.

#### Is this the start of a new restructuring initiative?

No. This Program is a part of the transformation work we started two years ago to drive efficiencies and growth, not the start of a new restructuring initiative. It’s also a way to recognize the significant contributions of longer-service team members through a voluntary approach, which aligns with our culture and responds to requests we’ve received in the past.

#### What benefits does the Program offer?

Team members who apply and are accepted into the Program may be eligible for the following benefits:

- **Lump-sum cash benefit.** Payment is equal to one-half month’s base/target pay (as of January 1, 2020) per year of service up to a maximum of nine months’ base/target pay. Cash benefit for salespeople will use on-target earnings (OTE) rather than base pay. Years of service are calculated based on your continuous service date through your exit date.
- **Separate cash COBRA subsidy payment.** For those team members enrolled in HPE medical, dental, or vision coverage, payment is based on the cost of 12 months of COBRA coverage at 2020 rates for HPE medical, dental, and vision benefits in effect on January 1, 2020, for you and your covered dependents. You don’t have to enroll in COBRA to get this payment.
- **HPE Retiree Medical Program.** Early access to the HPE Retiree Medical Program and any HPE credits in your Retirement Medical Savings Account (RMSA) if you are within 24 months of meeting standard eligibility requirements (age 55 or over with 10 years of service or age plus service points equaling 80 or more) as of your exit date.
- **Career transition assistance.** Four months of career transition services with our outplacement firm, Lee Hecht Harrison, to help you explore opportunities for the next phase of your life.

In addition, you’ll receive prorated vesting in restricted stock unit (RSU) awards granted by HPE if you don’t yet qualify for retirement treatment and 100% vesting.

#### **A benefit of the Program is early access to the HPE Retiree Medical Program and RMSA credits if within 24 months of meeting standard eligibility requirements. Does early access apply to equity grants?**

No. The Program does not change the requirements for what’s considered retired when it comes to equity grants. See the equity FAQs later in this document for more information.

#### How does the Program work?

Here’s a high-level overview of how the Program works:

- If you’re eligible for the Program, you’ll get an email when the application period begins on January 21, 2020. That email will include a personal statement describing Program benefits and a link to the online application.
- Apply by clicking the online application link in the email with your personal statement. If you decide to apply for the Program, you must submit the application by 5 p.m. PT on February 5, 2020.
- After the application period ends, HPE will review all applications. HPE’s final acceptance criteria will be determined based on business needs and the total number of applications. You’ll get an email by mid-February letting you know whether you’ve been accepted into the Program. If accepted, the email will include your exit date, which will be your last

day at HPE. You'll be assigned an exit date based on business needs: typically, March 20, May 1, or October 23, 2020. If you're not accepted, you'll continue work as usual and your people leader will not be notified that you applied.

- If accepted, you'll work through your exit date, using this time to transfer your knowledge to other HPE team members. To receive Program benefits, you must sign and submit the Release Agreement within 45 days after your exit date and not revoke it within 7 days following submission. A sample Release Agreement is available at [U.S. Voluntary Career Transition Program](#) (user name: HPE, password: Voluntary).

**Note:** If you're eligible and had already notified your people leader of your plan to retire from or leave HPE before the Program was announced on January 21, 2020 (including setting a specific retirement or termination date between January 21, 2020, and October 23, 2020), you can still participate in the Program if you apply and are accepted. You'll leave HPE on the date you pre-announced and can qualify for Program benefits if you fulfill other requirements, including submitting the Release Agreement within 45 days after your retirement or termination date. To confirm your eligibility to leave HPE on your pre-announced date, you must send an email by 5 p.m. PT on February 5 to the Program mailbox ([voluntarycareertransition@hpe.com](mailto:voluntarycareertransition@hpe.com)) with your pre-announced date, being sure to copy your people leader.

**If I'm accepted into the Program, how will my exit date be determined?**

You'll be assigned an exit date based on business needs: typically, March 20, May 1, or October 23, 2020. Business unit leadership will determine your exit date after an assessment of business needs taking into account your role and all the team members participating in the Program. You'll get an email in mid-February letting you know whether you've been accepted into the Program. If you're accepted, this email will include your exit date.

**Can I choose a different (earlier or later) exit date?**

No. You'll be assigned an exit date: typically, March 20, May 1, or October 23, 2020. Final determinations require an assessment of business needs taking into account your role and all the team members participating in the Program. You'll get an email in mid-February letting you know whether you've been accepted into the Program. If you're accepted, this email will include your exit date.

**Can I withdraw from the Program if my assigned exit date does not fit with my plans for the future?**

No. All applications are irrevocable once the deadline has passed at 5 p.m. PT on February 5, 2020, and you must work until your designated exit date in order to receive Program benefits. If you want to leave earlier than your designated exit date, you could do so, but you would forfeit Program benefits. You will not have an option to work later than your designated exit date.

**Can I extend my exit date by using my vacation?**

No. You cannot work beyond your exit date. If you choose to take vacation prior to your exit date, you can do so subject to normal approval requirements by your people leader. Keep in mind that you'll be credited with vacation time only for the portion of the year prior to your exit date.

**What type of work will I do through my exit date?**

You'll continue in your current role and will work with your people leader to transfer your knowledge and experience to other HPE team members before you leave.

**Is it possible that my exit date would be later than October 23, 2020?**

No. Exit dates for all team members who are accepted for participation in the Program will be on or before October 23, 2020.

**What will happen to my 2020 vacation time?**

You'll be credited with vacation time only for the portion of the year prior to your exit date. If you use more vacation time than you've been credited, your final paycheck or lump-sum cash benefit from the Program will be reduced by the value of any excess vacation hours used.

If you don't use all of your credited vacation time, any unused time is not eligible for payout unless required by law in your primary work state (currently limited to California, Colorado, Illinois, Louisiana, Massachusetts, Montana, Nebraska, North Dakota, and Rhode Island).

**What if I was already planning to leave HPE soon—can I still qualify for the Program?**

If you had already notified your people leader of your plan to retire from or leave HPE before the Program was announced on January 21, 2020 (including setting a specific retirement or termination date between January 21, 2020, and

October 23, 2020), you can still participate in the Program if you apply and are accepted. You'll leave HPE on the date you pre-announced and can qualify for Program benefits if you fulfill other requirements, including submitting the Release Agreement within 45 days after your retirement or termination date. To confirm your eligibility to leave HPE on your pre-announced date, you must send an email by 5 p.m. PT on February 5 to the Program mailbox ([voluntarycareertransition@hpe.com](mailto:voluntarycareertransition@hpe.com)) with your pre-announced date, being sure to copy your people leader.

**Can I look for another job within HPE if I'm accepted into the Program?**

No. During the period leading up to your exit date, it's important to focus on transferring your knowledge to other HPE team members. You're not eligible for team member-initiated transfers to other positions or job roles within HPE.

**Can I still be terminated earlier than my assigned exit date?**

Yes. Although most participants are expected to work until their assigned exit date, HPE reserves the right to terminate employment earlier than your exit date based on business needs, performance, or other factors. If your employment is terminated involuntarily prior to your assigned exit date, you can still qualify for Program benefits, unless your termination is for performance or misconduct, as determined in the sole discretion of HPE.

**Do I need to tell my people leader that I applied for the Program?**

No. You are encouraged to discuss the Program with your people leader, but you are not required to inform your people leader about your decision to apply or not apply for the Program.

**When will my people leader be notified that I have applied?**

HPE will notify your people leader only if you're accepted into the Program. This will happen shortly after the application period ends. Notifying people leaders helps them consider the implications of your departure on your role and business group, taking into account other team members leaving under the Program. It'll also prompt your people leader to begin planning knowledge transfer activities.

**Can my people leader prevent me from applying or being accepted into the Program?**

No. The Program is voluntary, and your people leader cannot prevent you from applying, nor will your people leader make the decision whether your application will be accepted. HPE expects that the majority of team members who apply will be accepted. However, HPE reserves the right to deny Program participation to individual applicants based on business needs, as determined by business leadership after assessing all applications and the impact on the business.

**After I leave, can I be considered for HPE reemployment or contract work in the future?**

Team members who leave under the Program will be subject to HPE's policies regarding rehire, which currently provide that Program participants who leave HPE are not eligible to be rehired with HPE or to work as a contractor for HPE for a period of two years after their exit dates. These policies are intended to help ensure that the significant investments HPE is making in workforce programs are maximized, as well as reducing the need for involuntary workforce reductions.

**If I find another job before my exit date, can I use vacation while starting my new job?**

No. Although you can use vacation time with your people leader's approval, you are expected to adhere to the [HPE Standards of Business Conduct \(SBC\)](#) as long as you continue to work at HPE. Under the SBC conflicts of interest provisions, you may not accept employment or engage in other activities if the resulting time demands interfere with your ability to perform your HPE job. You have an obligation to assist your people leader with any transition duties that may be necessary as a result of your leaving HPE. In addition, if you accept an offer of employment from a company that has a business relationship with or is a competitor of HPE, you have a duty to notify your people leader and may be in violation of SBC requirements.

**Can you tell me more about the opportunities available through Encore?**

As part of the Program, HPE is partnering with [Encore](#), a group that finds opportunities for individuals who want to use their skills and experience to make a difference working with not-for-profit organizations.

**How will the Program impact my eligibility for FY20 bonus payments like VPB or PfR?**

Bonus-eligible team members who leave HPE under the Program can be considered for prorated FY20 awards under the Variable Performance Bonus (VPB) or Pay-for-Results (PfR) Programs if they meet either of the following criteria:

- Leave HPE after satisfying standard retirement eligibility criteria of age 55 or older with at least 10 years of qualifying service, or any age with a combined age and qualifying service equal to 80 or more years; or

- Leave HPE without meeting the above age and service criteria, but with an exit date in the last quarter of the fiscal year (July 1 through October 31, 2020).

Any prorated award would be based on your eligible earnings received through your exit date, and would be paid at the same time as other VPB and PfR participants (typically end of December). Keep in mind that VPB and PfR awards are discretionary, performance-based, and determined by your people leader. Bonus funding is also dependent on business results. You are not guaranteed an award. People leaders have the complete discretion to determine who receives an award, and the size of awards, based on consideration of business results, job role, and individual performance.

**Can I keep my HPE laptop when I leave?**

No. All laptops must be returned to HPE upon your exit date, particularly since laptops are configured for the HPE environment and may contain sensitive company data.

**Can I purchase my company car if I leave HPE?**

To inquire about purchasing your company car, contact Element Fleet Management at:

- Phone: 1-855-248-0328
- Email: [globalfleet@hpe.com](mailto:globalfleet@hpe.com)

Hours of operation are Monday–Friday, 7 a.m.–7 p.m. CT. Fleet account is 8831.

**How long will the Program be offered?**

The application period is January 21 through February 5, 2020, by 5 p.m. PT. Applications received after the deadline will not be considered.

**Will another program like this, or an early retirement program, be offered in the future?**

At this time, there are no plans to offer a similar program in the future. However, HPE reserves the right to make changes at any time based on changing business conditions or other factors.

**Is the Program available to employees in Puerto Rico?**

No. The Program is only available to eligible U.S. employees being paid on the U.S. payroll as of January 1, 2020. Employees in Puerto Rico are not eligible.

**Why is the Program only being offered to U.S. team members?**

The U.S. has the infrastructure available to support this initiative. Other countries have legal, regulatory, or workforce constraints that do not lend themselves to this type of program at the current time.

**If I decide not to apply, is there anything I need to do?**

No. If you do not wish to apply for the Program, you do not need to take any action. You will automatically be deemed not to have applied unless you submit an application during the application period.

**Eligibility**

**Who is eligible for the Program?**

You can generally apply for the Program if you are a regular U.S. team member age 50 or older with at least 15 years of service as of February 28, 2020. Years of service are calculated based on the service date used to determine annual vacation time off (called “continuous service date” in Workday). This date typically includes time at an acquired company if you joined HPE as part of an acquisition before January 1, 2019. This date may differ from your hire date if you left HPE and were rehired or if you’ve taken certain types of leave of absence. You’re **not** eligible if any of the following apply as of January 1, 2020:

- You’re regularly scheduled to work less than 20 hours a week.
- Your most recent hire or rehire date with HPE is on or after January 1, 2019.
- You joined HPE as part of an acquisition on or after January 1, 2019.
- You transferred to the U.S. on or after January 1, 2019.
- You are an intern, temporary employee, Career Reboot participant, or Limited Term Employee.
- You are at a Vice President level or higher.

- You are a Fellow or Senior Fellow.
- You have been on an approved leave of absence for 26 weeks or more (other than a military leave governed by USERRA) and do not return to work before the end of the Program application period.

In addition to being open to eligible team members who are actively at work (or on certain approved leaves of absence) during the application period, the Program is also open to certain otherwise-eligible team members who terminated for any reason other than performance or misconduct between November 1, 2019, and January 21, 2020 (the Program announcement date).

Keep in mind that not all eligible team members are guaranteed acceptance into the Program. HPE reserves the right to deny Program participation to individual applicants based on business needs.

**What if I miss eligibility by just a couple of days? Will exceptions be made?**

We know this can be difficult, but unfortunately the answer is no—HPE must honor the terms of the legal plan documents, so decisions regarding eligibility are final, and exceptions are not possible. We determined eligibility after close consultation with leadership, with the goal of offering the Program to as many team members as possible while taking into account potential costs and impact to the business.

**If I apply, am I guaranteed acceptance? Why would I be denied?**

HPE expects that the majority of team members who apply for the Program will be accepted. However, HPE reserves the right to deny Program participation to applicants according to HPE’s final acceptance criteria, as determined by business leadership after assessing all Program applications and their impact on the business. This could occur, for example, if the total applications received exceed a cost that can be supported by the business or might negatively impact business goals.

**What is the service date used to determine service for eligibility and the lump-sum cash benefit?**

For purposes of the Program, your service date is the same date used to determine your annual vacation time off (called “continuous service date” in Workday). This date typically includes time at an acquired company if you joined HPE as part of an acquisition before January 1, 2019. This date may differ from your hire date if you left HPE and were rehired or if you’ve taken certain types of leave of absence.

You can check your continuous service date on [Workday](#) by selecting **View Profile** in the top right-hand corner. (You must be on the HPE network to access Workday.) If eligible for the Program, you received an email on January 21, 2020, with a personal statement showing your continuous service date.

**How is my lump-sum cash benefit payment calculated if I’m currently working part time?**

Except as noted below for participants in the Retirement Transition Support Program, your lump-sum cash benefit payment will be calculated using your part-time base/target pay as of January 1, 2020. To be eligible for the Program, you must be regularly scheduled to work 20 hours or more per week.

**How does the Program work if I’m working part time in the Retirement Transition Support Program?**

If you’re accepted into the Program and were participating in the Retirement Transition Support Program as of January 1, 2020, you’ll be eligible for Program benefits based on your full-time equivalent base/target pay. This applies even though you’re working part time as part of the Retirement Transition Support Program.

**What should I do if my service date, birthdate, or pay on my personal statement is wrong?**

Submit a case to [AskHR](#) with any supporting documents that may help expedite the review. It’s important to submit your request as soon as possible, since the application deadline (5 p.m. PT on February 5, 2020) will not be extended even if you are waiting on a determination.

## Enrollment

### What are key actions and dates to know if I'm considering applying for the Program?

Events	Dates
Application period	January 21 – February 5, 2020
Deadline to submit application	5 p.m. PT on February 5, 2020
Notified by email if accepted into the Program; if accepted, email will include assigned exit date	Mid-February 2020
Exit date	Typically March 20, May 1, or October 23, 2020*
Earliest day to submit Release Agreement	Assigned exit date
Deadline to submit Release Agreement	45 days following assigned exit date; if needed, you can revoke the agreement within 7 days following submission

\*You'll be assigned one of the three exit dates based on business needs.

### What is the process for submitting my online application?

If you're eligible for the Program, you received an email when the application period began on January 21, 2020. That email includes a personal statement and a link to the online application. Apply by clicking on that link and submitting your application by 5 p.m. PT on February 5, 2020. If you're on a leave of absence, a letter was mailed to your home with instructions for submitting an application.

### Can I change my mind after I have submitted the application?

Yes, as long as you take action before the deadline. If you submit the online application but later decide you don't want to apply, you can go back online and revoke your application before the application period ends at 5 p.m. PT on February 5, 2020. All applications are irrevocable once the application period ends.

### Will the online application tool be available 24x7 during the application window?

The application tool is on Workday, so it will be available 24x7 until the application window closes, other than regularly scheduled maintenance periods that run from 11 p.m. PT each Friday to 3 a.m. PT on the following Saturday.

## Release Agreement

### When do I need to turn in the Release Agreement? Can I turn it in before my exit date?

You must submit the Release Agreement no later than 45 days following your exit date. **You will then have seven days after you sign the release to revoke it.** You must wait to sign and return the Release Agreement until on or after your exit date. Release Agreements submitted prior to your exit date will not be accepted; you'll need to resubmit the form on or after your exit date.

### What happens if I don't sign the Release Agreement, or I make changes to it, or I turn it in late?

Your termination of employment will still take effect, but you will not be eligible to receive Program benefits. Your departure will be processed as a voluntary termination without Program benefits. If you have questions about signing the Release Agreement, see the sample agreement at [U.S. Voluntary Career Transition Program](#) (user name: HPE, password: Voluntary) and seek the advice of your personal legal counsel.

### The Release Agreement online is labelled as a "sample." Will the one I complete be different?

No. The Release Agreement you need to complete and submit within 45 days of your exit date will be the same as the sample on [U.S. Voluntary Career Transition Program](#) (user name: HPE, password: Voluntary), except for technical edits required to address changes in law between now and your exit date (if any such changes in law occur during that period).

## Impact of workforce reduction (WFR) notifications

### **If I enroll in the Program, can I be laid off earlier than my assigned exit date?**

Yes. Although most participants are expected to work until their exit date, HPE reserves the right to terminate employment earlier than the assigned date based on business needs, performance, or other factors. If your employment is terminated involuntarily prior to your assigned exit date, you can still qualify for Program benefits, unless your termination is for performance or misconduct, as determined in the sole discretion of HPE.

### **If I don't apply for the Program, could I still be laid off in the future?**

Yes. The Program is a special opportunity being offered to eligible team members, but if you do not apply for the Program (or you apply but are not accepted), your employment remains "at will." That means that you or HPE may terminate your employment at any time, with or without cause or prior notice. This includes the possibility that any team member may be subject to a WFR initiative based on business needs or other factors.

### **If I don't apply for the Program and I'm notified of layoff after the application period ends, can I still get Program benefits?**

It depends. You can still receive Program benefits if you would have otherwise qualified based on the final HPE acceptance criteria and you terminate employment due to a workforce reduction or similar involuntary termination from February 6 through March 31, 2020. You will **not** receive Program benefits if you are terminated for performance or misconduct, or if your HPE termination date is after March 31, 2020. If your workforce reduction termination date is after March 31, 2020, you're eligible only for benefits provided under the HPE U.S. Workforce Reduction (WFR) Plan.

### **If I apply for the Program but am not accepted due to business reasons, can I get Program benefits if I'm laid off in the future?**

No. If your application is not accepted due to not meeting the final acceptance criteria, you will not be eligible for the Program in the future, even if you are subject to a workforce reduction, since the same final acceptance criteria would still apply.

### **What happens if I'm notified of layoff during the application period?**

If you're eligible for the Program and are notified of WFR or similar involuntary termination (not for performance or misconduct) during the Program application period (January 21 through February 5, 2020), you'll automatically be considered to have applied for Program benefits. You'll terminate on the WFR date (rather than one of the Program exit dates), but, subject to HPE approval of your application, you'll be eligible for the additional Program benefits including additional cash benefits to the extent Program benefits exceed what is available under the HPE U.S. Workforce Reduction (WFR) Plan. You will need to timely sign and not revoke the Program Release Agreement, in addition to your WFR Plan waiver.

### **How do Program benefits compare to the HPE U.S. Workforce Reduction Program?**

The lump-sum cash benefit available under the Program is more generous than the severance payment currently provided under the HPE U.S. Workforce Reduction (WFR) Plan. The severance formula of the WFR Plan currently provides 11 weeks' base pay plus an additional 2 days' base pay for each year of service in excess of 11 years. Under the WFR Plan, "qualifying service" is only counted from the date of your most recent hire or rehire. By comparison, the Program provides a more generous cash payment of up to 9 months' base/target pay, and counts all of your HPE service, typically including pre-HPE service if you were part of an acquisition. The Program also provides benefits not available through the WFR Plan, including:

- **Separate cash COBRA subsidy payment.** Payment is based on the cost of 12 months of COBRA coverage at 2020 rates for HPE medical, dental, and vision benefits in effect on January 1, 2020, for you and your covered dependents. You don't have to enroll in COBRA to get this payment.
- **Early HPE Retiree Medical eligibility.** Early access to the HPE Retiree Medical Program and any HPE credits in your Retirement Medical Savings Account (RMSA) for team members within 24 months of meeting standard eligibility requirements (age 55 or over with 10 years of service or age plus service points equaling 80 or more) as of your exit date.

When comparing the Program to WFR Plan benefits, keep in mind that WFR Plan terms are subject to change in the future.

**If I'm impacted by WFR and also accepted into the Program, do I need to complete both the WFR waiver and the Program Release Agreement?**

Yes. In order to qualify for any additional benefits that may be available under the Program, you first need to comply with all requirements of the WFR Plan, including submitting the WFR waiver. You also need to complete the Release Agreement as part of the Program. If you do not complete the WFR waiver, you will not be eligible for WFR Plan benefits, but Program benefits will still be offset by the amount of severance you would have been paid from the WFR Plan.

**Cash benefits**

**What are the cash benefits available under the Program?**

The Program offers both a lump-sum cash benefit based on years of service, and a separate cash benefit equal to the cost of 12 months of 2020 COBRA coverage.

- **Lump-sum cash benefit.** Payment is equal to one-half month's base/target pay (as of January 1, 2020) per year of service, up to a maximum of nine months' base/target pay. Years of service are calculated based on your continuous service date through your exit date.
- **Separate cash COBRA subsidy payment.** For those team members enrolled in HPE medical, dental, or vision coverage, payment is based on the cost of 12 months of COBRA coverage at 2020 rates for HPE medical, dental, and vision benefits in effect on January 1, 2020, for you and your covered dependents. You don't have to enroll in COBRA to get this payment.

**How will I receive my cash incentive and COBRA subsidy payment?**

Your cash incentive and COBRA subsidy payment will be paid as a taxable lump sum from HPE Payroll following your exit date under the Program and completion of the Release Agreement. Payment will be subject to regular income and employment taxes and paid net of tax withholding using the withholding rates for bonus payments. The payment will be included as part of your Form W-2 earnings for the year in which it is paid.

**If I'm not participating in HPE health benefits, can I still qualify for the COBRA subsidy payment?**

No. The COBRA subsidy payment is based on the costs of HPE medical, dental, and vision coverage you had in effect as of January 1, 2020, so if you were not participating in any of these coverages, no payment will be available.

**Can I request to have my lump-sum cash benefit added to my 401(k)?**

No. You do not have the option to have your lump-sum cash benefit added directly to your HPE 401(k) account. However, in anticipation of receiving the cash benefits following your exit date, you could consider increasing your own contributions to the HPE 401(k) Plan through your exit date.

**Is there any option to roll over my lump-sum cash benefit and defer paying taxes?**

No. Rollover options are generally available only for amounts paid to you from a qualified retirement plan such as a pension or 401(k) plan. Your lump-sum cash benefit is paid directly from HPE Payroll, not a qualified retirement plan.

**How soon can I receive my lump-sum cash benefit after I leave HPE?**

You can anticipate receiving your lump-sum cash benefit approximately 60 to 90 days after your exit date.

**How will my lump-sum cash benefit and cash COBRA subsidy payment be taxed?**

Your lump-sum benefit and cash COBRA subsidy payment will be made through HPE Payroll and are subject to tax withholding at the bonus rate. Benefits will not be eligible for rollover or other special tax treatment, and will be taxable as ordinary income in the year of receipt. Benefits will not be "grossed up" for taxes. The final amount of tax you owe will be based on your overall income for the year, your exemptions and deductions, tax-filing status, and other factors impacting your taxes.



## Retiree medical benefits

### Do I qualify for the HPE Retiree Medical Program as part of the Program?

If you apply and are accepted for the Program, you can qualify for the HPE Retiree Medical Program and access to any HPE credits in your Retirement Medical Savings Account (RMSA) if you've met or are within 24 months of meeting standard eligibility requirements (age 55 or over with 10 years of service or age plus service points equaling 80 or more) as of your exit date. To see if you're eligible for the HPE Retiree Medical Program (or within 24 months of qualifying), see your personal statement (sent with your January 21, 2020 eligibility email).

If at the time of the separation of HPE and HP Inc. in 2015 you already qualified for the Pre-2003 HP Retiree Medical Program or the Former Digital Retiree Health Plan, you'll participate in retiree medical coverage under these legacy programs maintained by HP Inc. rather than the HPE Retiree Medical Program. For additional information, call the HP Inc. Benefits Center at 1-800-890-3100.

### How does the HPE Retiree Medical Program work?

The HPE Retiree Medical Program provides continuing access to HPE coverage for you and your eligible family members both prior to and following age-65 Medicare eligibility. Retirees pay the full cost of coverage, but can use any balance in the Retirement Medical Savings Account (RMSA) to help pay the cost. See the Retiree Medical 2020 rate sheet at [U.S. Voluntary Career Transition Program](#) (user name: HPE, password: Voluntary). For details about the HPE Retiree Medical Program, see the [Summary Plan Description](#) or visit [Leaving HPE](#).

To see if you're eligible for the HPE Retiree Medical Program (or within 24 months of qualifying), see your personal statement (sent with your January 21, 2020 eligibility email). (**Note:** The HPE Retiree Medical Program and RMSA do not use the "continuous service date" to calculate qualifying service for eligibility. Specific rules define eligible active Hewlett-Packard/HPE service that qualifies. Visit [Leaving HPE](#) for more information.)

### What's the cost of retiree medical coverage?

See the Retiree Medical 2020 rate sheet at [U.S. Voluntary Career Transition Program](#) (user name: HPE, password: Voluntary). For additional questions, call the HPE Benefits Center at 1-844-537-5304, 8 a.m.–8 p.m. CT, Monday–Friday.

### If I retire and don't need retiree medical coverage through HPE, can I decline coverage and enroll later?

You can decline HPE coverage if you're covered by another employer's plan (including your spouse's employer's plan) or a public health exchange. You can enroll later if you have a qualified life event, such as loss of coverage under another employer's plan. Visit [Leaving HPE](#) to learn more.

### If I don't apply for the Program now, can I still qualify for retiree medical benefits in the future?

Yes. At this time, no changes to eligibility for the HPE retiree medical programs are planned, so you can qualify if you leave HPE at any time after satisfying the standard program eligibility requirements (age 55 or over with 10 years of service or age plus service points equaling 80 or more). Keep in mind that regardless of whether you participate in the Program, HPE reserves the right to make changes to retiree medical programs at any time based on changing business conditions or other factors.

### What is the Retirement Medical Savings Account, and how does it work?

The RMSA is a tax-favored account that allows team members age 45 and older to build up funds for future healthcare needs. You can contribute up to \$200 per pay period while you're working, and HPE provides matching credits for certain eligible team members who joined HPE before August 1, 2008, subject to a lifetime maximum matching credit of \$12,000 per person. Team members who joined HPE on or after August 1, 2008, or who qualify for the Pre-2003 HP Retiree Medical Program or the former Digital Retiree Health Program, are not eligible for HPE matching credits but can still make contributions of their own. RMSA contributions are made on an after-tax basis but earn tax-free interest and are paid out tax-free as reimbursement for eligible healthcare expenses after you retire.

You can use any RMSA balance to pay for a wide range of future healthcare needs after leaving HPE, including medical, dental, and vision expenses, health insurance plan costs (including the cost for HPE coverage), Medicare plan costs, and more. If you have HPE credits in your account, these will be available to you after your exit date provided you meet the standard eligibility requirements for the HPE Retiree Medical Program (age 55 or over with 10 years of service or age plus service points equaling 80 or more) on your exit date, or you are within 24 months of meeting these criteria on your exit date. If you are not yet within 24 months of satisfying the eligibility requirements, any HPE credits in your RMSA will be forfeited, but you'll still be able to use any money you contributed.

For details about the RMSA, see the [Summary Plan Description](#) or visit [Leaving HPE](#). To see whether you're eligible to access HPE's matching credits (if any) to your RMSA (or within 24 months of qualifying to access), see your personal statement (sent with your January 21, 2020 eligibility email).

## Equity grants and ESPP

### What happens to my equity grants if I participate in the Program?

Equity grants may include nonqualified stock options, incentive stock options (ISOs), restricted stock units (RSUs), and stock appreciation rights (SARs). The treatment of any outstanding equity grants upon termination of employment depends on the following:

- Reason for your termination
- Timing of your termination, especially whether you qualify under the separate retirement policy for equity awards
- Terms and conditions of the grant (as noted in your grant agreement or notice, or pursuant to actions taken by HPE)
- The plan that governs your grant, especially whether granted by HPE or granted by a company acquired by HPE

When leaving HPE as a Program participant, you'll receive, at a minimum, prorated vesting in any unvested RSU awards originally granted by HPE to reflect the complete calendar months of service you have completed between your last annual vesting date (or grant date if no vest has occurred yet) and your exit date plus credit for the month of your grant. You will also have up to three months after your exit date to exercise any vested stock options originally granted by HPE (or up until the eight-year expiration date of your stock options, if earlier).

**Example:** Assume you were granted 600 RSUs on December 10, 2018, with 200 of these RSUs scheduled to vest on the first three anniversaries of the grant, and your exit date is March 20, 2020 (as established by HPE). You would have vested in 200 RSUs in December 2019, and as a Program participant you would be eligible to vest in 50 more RSUs even though you will be leaving before your next scheduled vesting date. The additional 50 vested RSUs (one-quarter of the 200 RSUs scheduled for vesting in December 2020) are based on receiving credit for working two complete calendar months since the month of your last vesting date (complete months of January and February 2020 worked) plus credit for the month of the grant, which equals three months or one-quarter of a year.

**Example:** Assume you were granted 300 RSUs on December 10, 2019, with 100 of these RSUs scheduled to vest on the first three anniversaries of the grant, and your exit date is May 1, 2020 (as established by HPE). As a Program participant you would be eligible to vest in 42 RSUs. The 42 vested RSUs (five-twelfths of the 100 RSUs scheduled for vesting in December 2020) are based on receiving credit for working four complete calendar months since the grant date (complete months of January through April worked) plus credit for the month of the grant (December), which equals five months or five-twelfths of a year.

The treatment is different for unvested RSUs originally granted by HPE if you qualify as a retiree under the terms of the separate retirement equity vesting policy (age 55 or older with combined age and qualifying years of service totaling at least 70 points). If you meet that requirement, you'll generally receive full (100%) vesting in any unvested RSU awards following your exit date, with payout per their original vesting schedule—one, two, and three years following the grant date—as long as your exit date occurs at least three months after the grant date. If you still hold stock options, you may be able to exercise them for up to three years after your exit date (or up until the eight-year expiration date of your stock options, if earlier). To see if you're projected to be eligible for HPE's separate retirement equity vesting policy, visit [MyHPERewards](#) and select the **Retirement** tab, then **When Do I Qualify?**

Visit [Leaving HPE](#) for more information about managing your awards after your exit date. It is important to note that you will still be subject to trading restrictions under HPE's insider trading policy when you first depart HPE. These restrictions apply to selling any shares, including those related to your RSUs and stock options. Please note that it is always your responsibility to exercise your stock options in a timely fashion, so if you intend to exercise stock options shortly after departing, this may require you to plan ahead to transfer funds to Merrill Lynch. Contact Merrill Lynch at 1-844-473-3789 to discuss. For more information about your equity awards, including an opportunity to review the governing award agreement and stock plan document, you can also go to [mybenefits.ml.com](http://mybenefits.ml.com) or call Merrill Lynch.

Please note that equity awards originally granted by a company that was acquired by HPE are not eligible for the special treatment described above (prorated vesting for Program participants or full vesting under the HPE retirement policy for

equity awards) and are instead subject to the terms and conditions at termination that the acquired company established and documented in your award agreement.

**When I leave HPE, what happens to the contributions I have made to the ESPP for the current offering period?**

Any contributions you have made for the current offering period (six-month period ending April 30 or November 30) will be refunded to you and will not be used to purchase stock unless you exit on the last day of the offering period. Shares you have already purchased under the ESPP will remain in your account. Visit [Leaving HPE](#) for more information.

**Impact on other HPE benefits**

**What happens to my other HPE benefits, including my 401(k), if I leave as part of the Program?**

Benefits will be the same as for anyone else leaving HPE, but the Program offers early access to the HPE Retiree Medical Program and RMSA credits, as described above. Benefit options vary based on whether you're retiring from HPE or leaving before retirement. For an overview, see [What happens to your benefits if you leave HPE before retirement?](#) or [What happens to HPE benefits when you retire?](#) Keep in mind that these documents show standard benefits for departing team members and do not include Program benefits such as early access to the HPE Retiree Medical Program and RMSA credits.

**Are there any implications if I'm currently out on disability at the time I consider applying for the Program?**

Your eligibility for HPE Disability Plan benefits will not be impacted if you apply and are accepted into the Program while on approved Short-Term Disability leave (absent for less than 26 weeks). You can continue to receive disability benefits as long as you continue to be approved by the disability administrator or insurer. This includes being approved for Long-Term Disability (LTD) benefits if your disability continues beyond 26 weeks.

If you believe your disability may be permanent, keep in mind that if you are accepted into the Program, your employment will end on your assigned exit date (at which time you'll be eligible for the cash benefits offered under the Program) and future eligibility for HPE health benefits will be limited to electing COBRA coverage for up to 18 months, or coverage under the HPE Retiree Medical Program if you qualify.

Your HPE life insurance benefits will also end, with the option to continue or convert coverage to an individual policy directly with the insurance carrier. These provisions are different from the health and life insurance benefits available to disabled team members who do not leave under the Program. Under current HPE policy, such disabled team members can continue participation in HPE health and life insurance benefits for the full duration of their approved disability benefits, potentially until as late as age 65 or your Social Security normal retirement age. As a result, if you believe your disability may be permanent, you'll want to take these factors into account when deciding whether to apply for the Program. Keep in mind, too, that HPE benefits are subject to change in the future, including health and life insurance benefits provided to disabled team members.

**What happens if I become disabled during the Program transition period?**

If you become disabled after applying for the Program but before your assigned exit date, disability benefits are available as normal if approved by the disability administrator or insurer. If you're still disabled on your exit date, your exit date will take effect and you'll be eligible for Program benefits (subject to submitting a completed Release Agreement), but disability benefits can continue even after you leave HPE as determined by the disability administrator or insurer. As described in the previous question, health benefits following your exit date will be based on provisions of the Program rather than provisions applicable to disabled team members.

**Will I be eligible for payout of unused vacation when I leave HPE?**

Any unused credited vacation hours are not eligible for payout, unless required by state law at your primary work location (currently limited to California, Colorado, Illinois, Louisiana, Massachusetts, Montana, Nebraska, North Dakota, and Rhode Island). If you have purchased days under the Vacation Buy Program, any unused purchased days that you have paid for will be refunded to you, regardless of where you live.

**After I leave HPE, will I be able to convert my life insurance coverage to an individual policy?**

Yes. You'll have options to continue portable term life insurance coverage or to convert coverage to an individual policy within 60 days following your exit date. Visit [Leaving HPE](#) for details.

**Will I still be eligible for my HPE 401(k) Plan matching contribution at the end of the calendar quarter if I leave HPE on my exit date?**

HPE matching contributions are only available for the calendar quarter in which you leave HPE if you leave on the last day of the calendar quarter. Because the Program exit dates occur during the calendar quarter, you will not be eligible for HPE matching contributions in the quarter you leave HPE. You will also not be eligible for the year-end “true up” matching contribution.

**I participate in the Executive Deferred Compensation Program (EDCP). Will my distribution be based on a “retiree” status if I leave under the Program?**

The terms of the EDCP are not affected by the Program, so you must have attained age 55 and have at least 15 years of continuous service in order to be considered retired for purposes of the EDCP. For information about distributions under the EDCP, go to [NetBenefits](#) or call the HPE Retirement Service Center at Fidelity at 1-800-409-4015.

**Will I still be eligible for my EDCP matching contribution at the end of the year that I retire under the Program?**

The terms of the EDCP are not affected by the Program, so you will not qualify for year-end matching contributions from HPE unless you are considered retired for purposes of the EDCP, which means having attained age 55 with at least 15 years of continuous service.

**If I participate and terminate my international or domestic transfer or assignment agreement before the end of the first year of my move, will I need to repay any benefits I received as part of my transfer or assignment arrangements?**

Your business unit has the discretion to decide whether you need to repay benefits received as part of an international or domestic transfer or assignment agreement, including Local Plus amounts.

## **Unemployment compensation**

**Can I qualify for unemployment benefits if I participate in the Program?**

You can apply for unemployment benefits in the week following your exit date, but the applicable state unemployment agency will determine your eligibility. HPE is not in a position to advise whether you are eligible for benefits, as this is a case-by-case decision made by each state's agency.

When responding to state inquiries related to the Program, unless you are simultaneously impacted by the HPE U.S. Workforce Reduction Program, HPE will communicate that the Program is a voluntary program that is being offered to eligible team members in connection with broader workforce changes.

**Will HPE be providing me with references for future employment?**

HPE policy is to provide potential employers with information limited to start date, end date, and job title on day of termination. This policy will also apply to team members participating in the Program. Contact [AskHR](#) for more information.

This document provides a summary of certain benefit programs being offered by HPE to its team members. In the event of any inconsistency between the information in this document and the terms of the benefit plans or programs, the terms of the plans or programs will control. Keep in mind that HPE reserves the right to make future changes to benefit programs, which may change eligibility or other provisions described in this document.

---

© Copyright 2020 Hewlett Packard Enterprise Development LP

The Hewlett Packard Enterprise logo is registered in the U.S. Patent and Trademark Office. Other products or company names mentioned herein may be trademarks or registered trademarks of their respective companies.

This document contains confidential information for Hewlett Packard Enterprise **Internal Use Only**. Do not disclose outside of HPE, unless you are an eligible team member sharing this information in order to consult with a financial, tax, or legal adviser or a member of your household.

January 2020

