

InVestra

STRATEGIC WEALTH MANAGEMENT

COUNTDOWN TO LAUNCH

THE DEFINITIVE FINANCIAL PLANNING GUIDE FOR SPACEX
EXECUTIVES & EMPLOYEES

Prepared For: SpaceX Engineers, Executives, and Mission-Critical Personnel

Focus: Strategic Wealth Transition & Pre-IPO Optimization (2026 Liquidity Event)

Date: May 2026

Platform: Private Client Advisory Services

Executive Summary

SpaceX professionals occupy an extraordinary position in modern wealth creation. Over years of operational scale, reusable launch dominance, global Starlink broadband expansion, and core government and defense contracts, employee equity has grown from a paper incentive into a life-changing capital base. As industry speculation and strategic planning intensify, internal reports indicate that SpaceX is targeting a **June 2026 Initial Public Offering (IPO) at a projected valuation of approximately \$1.75 Trillion**, seeking a historic capital raise of roughly **\$75 Billion**.

This impending liquidity event represents one of the largest concentrations of newly liquid private corporate wealth in economic history. For executives and engineers based in Merritt Island, Melbourne, Cape Canaveral, and across the globe, it introduces a quantum leap in financial complexity. Transitioning from a private-company equity holder to a high-net-worth investor requires institutional-caliber planning **before** public liquidity arrives. Proactive coordination can mean the difference between permanent wealth preservation and devastating tax or concentration setbacks.

The Core Planning Reality

Historical precedent across major technology and aerospace wealth events demonstrates that sudden liquidity often exposes families to substantial but avoidable tax burdens, aggressive single-stock concentration, behavioral investment missteps, and missed lifetime estate planning opportunities. True financial independence is rarely created by the liquidity event alone; it is preserved by the discipline of the pre-liquidity strategy.

1. Understanding the Mechanics of SpaceX Equity Compensation

Unlike standard public corporations where shares can be immediately liquidated upon vesting, SpaceX operates under specialized compensation structures that dictate specific tax timelines and settlement behavior. Employees typically hold a combination of multiple equity types, each requiring a tailored strategy:

A. Double-Trigger Restricted Stock Units (RSUs)

RSUs represent the cornerstone of broad-based equity compensation at SpaceX. Unlike traditional public RSUs, these awards are governed by a "double-trigger" framework that protects employees from premature tax liabilities while shares remain illiquid. Vesting requires the satisfaction of two independent conditions:

- **Time-Based Component:** Completing a specified period of continuous service at the company (e.g., standard multi-year vesting schedules).

- **Liquidity Event Component:** A corporate qualifying transaction, such as a formal Initial Public Offering (IPO) or a change in control.

Shares are not formally settled, and taxable income is not recognized, until *both* triggers are satisfied. This creates a critical operational constraint: at the moment of the June 2026 IPO, large tranches of historical vested awards will settle simultaneously, generating an immediate, substantial ordinary income tax liability based on the full fair market value of the shares at listing.

Critical Exposure: Withholding Shortfalls

Standard corporate payroll administration automatically applies supplemental wage withholding (typically 22% federally) upon RSU settlement. For high-earning SpaceX engineers and senior executives, their effective federal bracket will instantly reach the top tier of 37%. This creates a massive, un-withheld tax gap of 15% that must be paid via quarterly estimated payments or liquidating additional assets, catching many employees unprepared.

B. Incentive Stock Options (ISOs)

ISOs offer exceptional long-term tax benefits by allowing gains to be taxed at favorable long-term capital gains rates rather than ordinary income rates. However, they introduce the single highest risk for paper-wealth catastrophes due to the **Alternative Minimum Tax (AMT)**.

When an employee exercises an ISO and holds the shares, the "spread" (the difference between the fair market value and the option strike price) is treated as a preference item for AMT calculations. The employee must pay tax on this unrealized "phantom income" in the tax year of exercise, even if they have not sold a single share and possess no liquidity.

The Phantom Tax Risk Scenario

If an executive exercises large tranches of ISOs shortly before a major valuation peak, they may trigger an enormous AMT liability. If the public market experiences post-IPO volatility or extended lockup periods prevent selling, and the share price compresses, the employee remains legally responsible for an AMT bill calculated at the higher historical price—potentially resulting in a tax obligation that exceeds the current liquid value of the stock itself.

C. Non-Qualified Stock Options (NSOs)

NSOs carry less structural risk than ISOs but are less tax-efficient. Upon exercise, the entire spread between the strike price and fair market value is immediately taxed as ordinary income and subject to payroll taxes. Strategic sequencing is necessary to avoid stacking NSO exercises in the same tax year as major RSU settlement events, which would push the employee unnecessarily deep into the highest possible tax brackets.

2. Pre-IPO Timeline & Strategic Choices: Tenders vs. Public Market

SpaceX has historically provided periodic liquidity via structured tender offers and internal private secondary market cycles. With a targeted June 2026 IPO timeline, employees face immediate trade-offs between locking in wealth early or maximizing upside in the public market.

| Strategy | Primary Advantages | Core Risks & Limitations | Strategic Recommendation |
|---------------------------------------|---|--|--|
| Participate in Pre-IPO Tenders | <ul style="list-style-type: none"> • Guarantees real, liquid cash wealth • Diversifies concentration risk early • Mitigates post-IPO market volatility | <ul style="list-style-type: none"> • Foregoes potential public market upside • Subject to internal company caps • Immediate capital gains recognition | Utilize to secure baseline financial independence and fund upcoming exercise costs or tax obligations. |
| Hold Equity for the Public IPO | <ul style="list-style-type: none"> • Captures maximum historic valuation upside • Favorable long-term capital gains tax timeline | <ul style="list-style-type: none"> • Subject to mandatory 180-day lockup • Severe concentration exposure • Post-lockup repricing risk | Appropriate for shares with exceptionally low cost-basis where multi-year structured selling is planned. |

Navigating the Post-IPO Lockup Constraint

A common misconception among employees is that an IPO provides instant, unrestricted liquidity. In reality, corporate insiders, executives, and broad-based employees are bound by a strict **180-day post-IPO lockup agreement**. During this six-month window, you cannot sell, hedge, or transfer your shares, even as the public market fluctuates dynamically. Meanwhile, your RSU tax liabilities are permanently locked based on the listing date settlement value, mandating a rigorous cash-flow buffer strategy before June 2026 arrives.

3. Advanced Tax Optimization & The Florida Advantage

Taxes represent the single largest variable determining long-term wealth retention during a liquidity event. Sophisticated, forward-looking strategies are mandatory:

Multi-Year Exercise & Sale Modeling

By carefully mapping option exercises and share liquidations across multiple tax years, advisors can optimize your exposure to standard income tax

SpaceX 401(k) Mega Backdoor Roth

High-income SpaceX professionals can maximize their employer plan through after-tax 401(k) contributions paired with immediate in-service

thresholds, maximize the recovery of historical AMT credits, and systematically harvest capital losses to offset large liquidity gains.

withdrawals or Roth conversions. This allows up to tens of thousands of dollars annually to accumulate completely tax-free, forming a powerful parallel wealth bucket outside of company stock.

The "Florida Advantage" in Action

SpaceX's significant geographic footprint in Florida (Merritt Island, Melbourne, and Cape Canaveral) provides local professionals with a profound structural benefit: **Florida levies zero state income tax.** Compared to aerospace and technology peers residing in high-tax jurisdictions like California or New York, a Florida-domiciled executive avoids a 10% to 13.3% state tax haircut on ordinary income and capital gains. For an executive realizing a \$5,000,000 liquidity event, this geographical advantage translates to an immediate savings of \$500,000 to \$665,000. Maintaining pristine residency documentation and maximizing your Florida domicile status is an essential planning item.

4. Advanced Estate Planning & Wealth Preservation Checklist

For families approaching a net worth of \$5 Million or greater, estate planning ceases to be a simple legal checkbox and becomes a highly strategic wealth-preservation framework. Transitioning sudden liquidity to future generations or philanthropic intents requires proactive structuring, ideally executed *before* public markets drive valuations higher.

What High-Net-Worth Families Get Wrong: The 9 Core Mistakes

- 1. Relying Solely on a Will:** A will guarantees your family must endure the public, costly, and time-consuming probate court process, while failing to provide any lifetime asset protection or tax optimization.
- 2. Underestimating Estate Tax Sunset Exposure:** Current federal estate tax exemptions are historically elevated but are legally scheduled to sunset by approximately 50% on December 31, 2025. Post-2025 planning must assume a significantly lower tax threshold, exposing unprotected appreciation to a 40% federal transfer tax.
- 3. Maintaining Static or Outdated Documents:** Failing to adjust trust structures after major wealth inflection points, births, divorces, or corporate liquidity events leaves plans structurally misaligned.
- 4. Fragmented Beneficiary Coordination:** Legal documents are frequently invalidated by outdated beneficiary designations on retirement accounts, insurance policies, or brokerage platforms that override trust provisions.
- 5. Ignoring Incapacity Planning:** Failing to establish robust durable powers of attorney, healthcare proxies, and living wills leaves personal and corporate decision-making frozen if an unforeseen health crisis occurs.
- 6. Disregarding Family Dynamics & Governance:** Treating unequal financial needs across heirs with rigid, equal splits without communication frequently leads to multi-generational family disputes and litigation.
- 7. Zero Strategy for Illiquid Assets:** Failing to plan cash reserves for estate tax liabilities can force the fire-sale of highly valued, illiquid corporate shares or real estate to meet immediate IRS obligations.

8. **Overlooking Lifetime Gifting Strategies:** Missing the utilization of annual exclusion gifts, 529 educational funding vehicles, or irrevocable trusts prevents families from removing substantial appreciation from their taxable estate during their lifetime.
9. **Operating in Silos:** Allowing your financial advisor, corporate counsel, CPA, and estate attorney to work independently without central coordination leads to systemic breakdowns in execution.

Advanced Gifting Timing Strategy

Trust vehicles such as Grantor Retained Annuity Trusts (GRATs) and Spousal Lifetime Access Trusts (SLATs) achieve their maximum wealth-transfer efficiency when funded with private-market shares *before* a major valuation step-up or public IPO listing. Transferring shares at a lower private valuation allows future appreciation to pass to your children completely free of gift and estate taxes.

5. From Engineer to Investor: Managing Concentration Risk

Building wealth requires concentration; preserving wealth requires diversification. For many SpaceX professionals, company equity represents **50% to 90%+ of their total household net worth**. This creates extreme single-stock vulnerability to regulatory shifts, sector contraction, or macroeconomic downturns.

A Disciplined Post-IPO Diversification Framework

The psychological transition from an internal builder focused on growth to a liquid investor focused on preservation is profoundly challenging. InVestra establishes systematic, objective sale frameworks designed to counter emotional biases, FOMO (fear of missing out), and media hype. This multi-asset institutional framework includes:

- **Structured 10b5-1 Trading Plans:** Establishes pre-scheduled, automated share sales based on specific dates or price targets, allowing executives to diversify systematically while remaining compliant with strict insider blackout restrictions.
- **Tax-Aware Asset Allocation:** Reinvesting liquid proceeds across optimized public equity markets, institutional fixed income, real assets, and private market alternatives to construct an all-weather portfolio aligned with long-term lifestyle income goals.
- **Hedging & Charitable Vehicles:** Incorporating Donor-Advised Funds (DAFs) and charitable stock gifting to completely eliminate capital gains exposure on highly appreciated positions while capturing an immediate ordinary income tax deduction.

6. Institutional Capabilities: Why SpaceX Professionals Choose InVestra

InVestra Strategic Wealth Management has established a deeply integrated, white-glove advisory platform designed specifically for the unique realities of C-suite executives, senior engineers, and rocketry professionals at SpaceX. We manage complexity so that your professional success translates directly into permanent financial independence.

Advanced Workplace & Executive Services Platform

Our comprehensive executive platform delivers seamless, multi-disciplinary coordination that generic wealth managers or automated platforms cannot match:

- **Comprehensive RSU/PSU Lifecycle Administration:** Integrated scenario modeling tracking vesting schedules, price sensitivity, pre-vest tax forecasting, and automated sell-to-cover execution.
- **Advanced Liquidity Solutions:** Coordinating borrowing capabilities against vested shares to help executives execute major personal investments, purchase real estate, or fund multi-million dollar tax obligations without triggering a forced liquidation of company stock.
- **Sophisticated Trading Execution:** Advanced institutional block trading to manage high-volume positions with minimized market impact and optimized execution pricing.
- **Corporate Compliance & Regulatory Oversight:** Direct administrative coordination handling trade pre-clearance protocols and mandatory regulatory filings (e.g., SEC Form 4 tracking) for corporate insiders.

Specialized Transition Certifications

Our firm is led by senior advisors possessing elite industry credentials specifically tailored for high-stakes wealth events. Our founder, Erin Eiras, holds direct designations as a **Certified Exit Planning Advisor (CEPA®)** and **Certified Divorce Financial Analyst (CDFA)**, ensuring that complex business monetization, equity restructuring, and long-term multi-generational family governance are executed with precision, discretion, and absolute fiduciary alignment.

Next Strategic Step: 45-Minute Private Discovery Session

Prepare your equity position for the June 2026 launch. InVestra provides private client consultations to review your concentrated equity holdings, execute preliminary multi-year tax scenario models, and map a personalized pre-IPO roadmap—completely at no obligation. Contact our corporate advisory suite at **904-880-7878** or visit **InVestra.com** to secure your private alignment.

Important Disclosures:

This comprehensive report is for informational and educational purposes only and does not constitute legal, statutory tax, or specific investment advice. SpaceX has not publicly confirmed or authorized a specific Initial Public Offering (IPO) filing or definitive transactional timeline as of the publication date of this advisory report. All details regarding a potential June 2026 IPO, \$1.75 Trillion corporate valuation, or \$75 Billion capital raise are based entirely on public market speculation, specialized financial industry intelligence, and institutional reporting current as of May 2026. Investment strategies must be structured on an individual household basis in direct consultation with qualified, registered legal, tax, and fiduciary financial professionals. InVestra Strategic Wealth Management is an independent wealth management firm. Past performance or comparable corporate liquidity outcomes represent historical benchmarks and offer no definitive guarantee of future results.