POPE
Financial Planning

3 COSTLY RSU TRAPS

HIGH-EARNING BIOTECH PROFESSIONALS DON'T SEE COMING

You've worked hard to get where you are. You're smart, driven, and good with details. But RSUs (Restricted Stock Units) can still trip you up. Many high-earners in biotech think of RSUs as "extra money." But they come with rules — and some of them can cost you a lot if you're not prepared. This short guide will show you the three biggest RSU traps successful professionals fall into — and how to stop them from hurting your finances before your next vesting date.

THE TAX TRAP

The problem: When your RSUs vest, they count as income — even if you don't sell the shares. Most companies hold back some money for taxes, but it's often not enough.

What happens: You may get a surprise tax bill in April because your withholding didn't cover everything.

What to do:
- Know your vesting dates and your company's withholding rate.
- Ask your tax pro or planner what you'll really owe.
- Set aside extra money or move it into a savings account so you're ready.

Smart move: Plan for taxes now so your next vesting date doesn't turn into a surprise.

THE TIMING TRAP

The problem: Many people sell their RSUs too fast — or wait too long. They make emotional choices instead of smart ones.

What happens: You might sell too early and miss out on growth — or hold too long and watch your shares drop in value.

What to do:

- Create a sales plan that matches your goals.
- Use automatic sales or price alerts so you don't react to headlines.
- Reinvest the money into other things — not just your company's stock.

Your career depends on your company. Your wealth shouldn't.

TOO-MUCH-IN-ONE BASKET TRAP

The problem: It feels great to see your company's stock growing. But if too much of your wealth is tied to one company, you're taking a big risk.

What happens: If your company's stock drops, your savings can drop too fast.

What to do:

- Keep your company stock at 10% or less of your total net worth.
- Move some of it into other investments.
- Check your balance once or twice a year to stay on track.

Diversifying isn't playing it safe — it's playing it smart.

Before your next vesting date, ask yourself:

Do I know my next vesting date and the tax rate my company uses?
Do I have a plan for when and how I'll sell my RSUs?
Is my company stock less than 10% of my total wealth?
Have I talked to a planner before my next vest?

If you said "no" to even one question, your RSUs might be costing you more than you think.

NEXT STEPS

SCHEDULE YOUR RSU REVIEW WITH APRYL POPE, CFP® AT WWW.MEETWITHAPRYL.COM

ABOUT APRYL POPE, CFP®

"YOU'VE MASTERED YOUR CAREER. NOW IT'S TIME TO MASTER YOUR MONEY."

Apryl Pope is a Certified Financial Planner™ and founder of Pope Financial Planning. She helps busy, high-achieving professionals make clear, confident decisions about their money — from RSUs to retirement.

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