GUIDE

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So Why Does Your Equity Compensation Feel Like a Financial Wild Card?

A Practical Guide for Biotech and Life Sciences Professionals Navigating RSUs, Stock Options, and Complex Compensation

POPE Financial Planning

Personal CFO Guidance

for Biotech Professionals

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Why Equity Compensation Is More Complex Than It Looks

You've worked hard to reach a level where equity is a significant part of your total compensation.
RSUs, stock options, performance shares — these are real wealth-building tools. But for most people, they also create more questions than answers.

Sound Familiar?

- "I know my RSUs are vesting but I'm not sure what to do with the shares."
- "I think I owe more taxes than I expected. I'm not sure why."
- "I have company stock scattered across multiple accounts and no real strategy."
- "I don't know if I should hold, sell, or diversify, so I do nothing."
- "I'm not sure why my financial advisor really understands the biotech world."

The Real Cost of Inaction

When equity compensation isn't actively managed, the consequences add up, often quietly.

01

Tax surprises at vest.

RSUs are taxed as ordinary income when they vest, often at your highest marginal rate. But your employer's default withholding is typically only 22% which may not be enough.

02

Concentration risk.

Holding too much of a single company's stock, especially your employer, creates risk most investors wouldn't accept in any other context.

03

Missed opportunities.

Without a plan for when and how to sell, many professionals hold shares too long, sell at the wrong time, or miss ways to reduce taxes through strategic timing.

04

Decision paralysis.

Complex compensation paired with no clear process leads to avoidance. And avoidance is rarely a decision, just not usually a good one.

05

Fragmented advice.

Your tax preparer sees taxes. Your 401(k) advisor sees retiremnt. No one is looking at the whole picture, especially how your equity fits into it.

What You Actually Need to Know About Your RSUs

Restricted Stock Units are one of the most common forms of equity compensation in biotech, and one of the most misunderstood. Here's a plan-English overview.

How RSUs Work

The Grant

Your company grants you a set number of RSUs. They are a promise of future stock, not actual shares yet.

The Vesting Schedule

RSUs typically vest over 3-4 years. Some plans include a cliff (e.g., 25% after one, then quarterly). You only own shares after they vest.

The Tax Event

When RSUs vest, the value of shares is treated as ordinary income. This is your first tax event, and it can significantly increase your taxable income for the year

After Vesting

Once vested, you own the shares. Any further gain or loss is subject to capital gains tax when you sell, short-term or long-term depending on how long you hold.

The Witholding Gap: A Critical Detail

Here's what catches many people off guard:

The IRS requires employers to withold at a flat supplemental rate of 22% on RSU income (37% above $1 million). But if you're in the 32%, 35%, or 37% tax bracket, that witholding isn't enough.

22% Default Witholding vs. **32-37%** Your Actual Tax Bracket

The result: a potential surprise tax bill in April, sometimes a significant one, unless you plan ahead.

Questions a Financial Strategy Should Answer for You

- When should I sell my vested shares - immediately, strategically, or on a schedule?
- How much company stock is too much for my overall portfolio?
- Are there ways to manage the tax impact before year end?
- Should I consider donating appreciated share to reduce taxes while supporting causes I care about?
- How do my RSUs fit into my broader retirement and investment strategy?
- What happens to my unvested shares if I leave the company?

Build a Smarter Plan for Your Equity

Having a plan for your equity compensation can help you reduce taxes, manage risk, and align your wealth with your long-term goals. Here are the key areas to focus on.

The 5 Pillars of an Equity Compensation Plan

01 — Tax Efficiency

Understand when and how you'll be taxed, and apply strategies to minimize your tax bill.

02 — Diversification & Risk Management

Avoid having too much of your wealth tied to your employer's stock.

03 — Cash Flow Planning

Prepare for tax events and plan how to fund them without disrupting your life.

04 — Long-Term Wealth Alignment

Make sure your equity decisions support your broader financial goals.

05 — Expert Guidance

Work with a financial advisor who understands equity compensation in the biotech industry.

A Plan Today. More Possibilities Tomorrow.

With the right plan, you can turn complex compensation into clarity, confidence, and long-term financial success.

WITHOUT A PLAN

- ✗ Higher taxes than necessary
- ✗ Too much risk in company stock
- ✗ Missed opportunities to build wealth
- ✗ Stress and uncertainty
- ✗ Decisions made in the moment

WITH A PLAN

- ✓ Lower taxes through proactive planning
- ✓ Review portfolio allocation and risk exposure
- ✓ Develop an intentional investment strategy
- ✓ Gain greater clarity about your financial situation
- ✓ Decisions aligned with your goals

The Personal CFO Advantage

At Pope Financial Planning, our Personal CFO service helps biotech professionals coordinate every part of their financial life, not just investments.
We provide proactive, integrated guidance so you can focus on what you do best.

What's Included in Our Personal CFO Service

Our clients recieve ongoing guidance across the areas below.

Investment Management
Your portfolio is aligned with your goals, risk tolerance, and timeline, not a generic model.

Equity Compensation Strategy
RSUs, stock options, and concentrated positions are actively managed with a plan, not left to chance.

Tax Strategy
Tax planning runs alongside investment decisions year-round, not just in April.

Risk Management & Insurance
The right coverage protects what you've built. This includes life, disability, and long-term care.

Retirement Planning
A forward-looking approach that accounts for equity, accounts, and the life you're building.

Cash Flow & Coordination
All the moving parts of your financial life work together, saving you time, stress, and money.

How Our Service Works:
You don't have to transfer your assets to get started. Every recommendation, investments, insurance, annuities, retirement accounts, can be implemented without requiring you to move everything first. That removes one of the biggest barriers to getting the guidance you deserve.

What You Gain

Clarity & Confidence
A clear plan aligned with your goals

Coordination & Efficiency
All the moving parts working together.

Risk Management & Protection
Proactive strategies for the unexpected.

Growth & Opportunity
A forward-looking approach to build lasting wealth.

Our Personal CFO service is designed for biotech professionals who want proactive, coordinated financial guidance.

Let's start a conversation about your goals and how we can help you simplify complexity and build a stronger financial future.

NEXT STEPS

Is a Personal CFO Right for You?

A Personal CFO relationship is designed for visionary biotech and life sciences professionals ready to stop managing finances by instinct and start managing them with intention.

You may be a strong fit if you:

- Have equity compensation that's become a significant part of your total pay.
- Are approaching a major financial event, liquidity event, promotion, or career transition.
- Feel like your finances are scattered across accounts and to-do lists.
- Want proactive guidance, not just investment management.
- Value your time and want a professional partner who understands your world.
- Are ready to move from reactive to strategic.

You may benefit if you answer yes to:

- [ ] Do you have RSUs vesting with no clear plan for what to do with them?
- [ ] Are you unsure whether your tax witholding is keeping pace with your actual liability?
- [ ] Do you have multiple accounts and financial priorities that are hard to coordinate?
- [ ] Are you preparing for a major milestone, liquidity event, career transition, retirement?
- [ ] Do you want a partner who understands the biotech industry and what's at stake for you?

What to Expect

01 Discovery Converstation

We start with a conversation about your goals, your equity situation, and what matters most right now.

02 Personalized Plan

We build a strategy that aligns your money, including your equity compensation, with your life and long-term vision.

03 Ongoing Partnership

We coordinate, implement, and keep your plan on track so you can focus on what you can focus on what you do best.

04 Adapt & Evolve

As your life and goals change, your plan changes with you, so you're always moving forward with confidence.

Ready to talk?

Book a complimentary discovery conversation with Apryl Pope, CFP ®. There's no commitment and no pressure, just a real conversation about where you are and where you want to be.

Book a Discovery Call

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