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# LEARN | Restricted Stock Units: Incentive Compensation

Your clients and prospects may receive restricted stock units (RSUs) as a company benefit, and look to you for recommendations and point of view.

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## Did You Know?

RSUs can be confusing because of their complicated names; however, there is nothing especially magical about this kind of compensation awards. "Restricted" simply means that the recipient cannot dispose of them until they vest and become tradeable stock.



## Key Takeaway

Your client can sell RSUs upon vesting and diversify or donate the cash proceeds. It's important to remind clients and prospects they cannot take action until shares vest.

## Questions to Ask Clients and Prospects

Conversation starters to help gauge their level of understanding, meet them where they are and present the appropriate options.

**Question**

Do you receive RSUs as part of your compensation?

**Question**

Do you know the vesting schedule for your RSUs?

**Question**

Do you know when RSUs are taxed?

**Question**

Do you know the main considerations with RSU taxation?

## Next Step

Brush up on the details of vesting in order to have a full picture of your clients' and prospects' situation.

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