LEGACY BUILDER FINANCIAL SERVICES

WEALTH. PRIDE. PEACE OF MIND.

RSU PLANNING WHITE PAPER · NOVEMBER 2026

Restricted Stock Units

From equity compensation to a resilient financial plan: how to think about taxes, concentration and what comes next.

A client education guide for

professionals paid in company stock

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All figures are hypothetical illustrations. Tax law as of November 17, 2026. Please review with your own CPA and licensed advisers.

EXECUTIVE SUMMARY

Equity pay can build wealth. The planning question is how much of your life depends on one company

A Restricted Stock Unit (RSU) is a promise to deliver company shares after conditions are met. What you do after the shares arrive is a separate financial decision.

2
Primary federal income-tax phases: compensation at settlement, then capital gain or loss at sale

3
Exposures to one employer: your paycheck, unvested RSUs and vested shares

12
Questions that map your RSU picture in one conversation

Seven ideas to remember

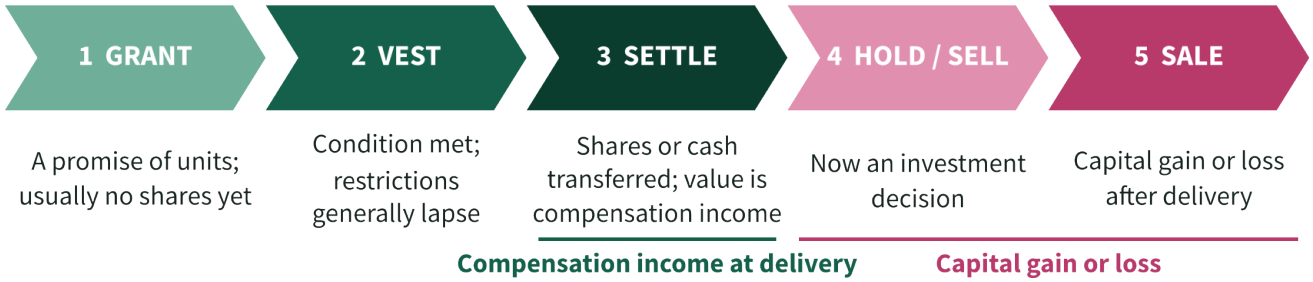
- **For a typical U.S. stock-settled RSU, taxable settlement is generally the first federal income-tax event and often occurs at vesting.** The value delivered is generally compensation income, usually reflected in your wages and subject to withholding. If settlement is deferred, timing may differ. [1][2][19]
- **A later sale is a different event.** Sale proceeds minus your basis produce a capital gain or loss. A later price drop does not reverse the compensation you already recognized. [2][3]
- **Withholding is a prepayment, not your tax bill.** The standard federal rate on supplemental wages may be 22%, but your actual liability depends on your whole year. [4]
- **Your employer may be your paycheck, your future pay and your savings, all at once.** We call this the Triple Exposure, and it is the heart of RSU planning. [5]
- **You may not be free to sell when you want.** Blackout windows, pre-clearance and insider-trading rules can limit timing. Never assume a sale date.
- **Diversification is a process, not a product.** Reserves, a target range, a staged plan and the right destination for after-tax dollars come before any product discussion.
- **Life insurance may fit, but it does not fix RSU taxes.** It can add protection when there is a real need and sustainable after-tax funding. It does not erase RSU compensation tax or diversify shares you still hold.

> **The core principle**
> RSUs can create meaningful wealth. The question is not whether your employer is a good company. It is how much of your income, future compensation and net worth should depend on the same company.

RSU FUNDAMENTALS

The RSU lifecycle

An RSU is a contractual promise to deliver shares or cash after stated conditions are met. Five stages and two primary federal income-tax phases.



Vesting and delivery often occur together, but not always.

Word	What it means
Grant	Your employer promises a number of units. A unit is not necessarily a share you already own.
Vest	The service or performance condition is satisfied; forfeiture restrictions generally lapse.
Settle / deliver	Shares or cash are transferred under the plan's settlement terms. For a typical stock-settled RSU, the value delivered is compensation income. Vesting and delivery often occur together, but not always.
Basis	For delivered shares, the amount included in compensation generally becomes your tax basis. Later price movement is a separate gain or loss.

> **The plain-English test**
> If your employer paid the value in cash today, how much of it would you voluntarily use to buy more employer stock? Holding delivered shares is an ongoing ownership decision, not a default.

In short. For a typical U.S. stock-settled RSU, vesting and share delivery occur at approximately the same time. The value delivered is generally compensation income. If settlement is deferred or the award has unusual terms, income-tax and payroll-tax timing may differ. Confirm the plan document with your tax adviser.

Important nuance. RSU plan terms differ. Private-company awards, deferred settlement, performance conditions, qualified stock deferral elections and non-U.S. tax rules can change the timeline. Read your plan and involve your tax adviser.

TAX FOUNDATION

Two primary federal income-tax phases

The cleanest way to think about RSU taxes: compensation at settlement, then capital gain or loss after you own the shares.

	Event	What generally happens
1	**Taxable settlement or delivery, often occurring at vesting**	Compensation income equal to the fair market value delivered, less any amount you paid. Usually reflected in wages and subject to withholding. [1][2]
2	**Later sale**	Sale proceeds minus adjusted basis produce a capital gain or loss. How long you held the shares affects short- versus long-term treatment. [2][3]

For a typical U.S. stock-settled RSU, vesting and share delivery occur at approximately the same time. The value delivered is generally compensation income. If settlement is deferred or the award has unusual terms, income-tax and payroll-tax timing may differ. Confirm the plan document with your tax adviser. [19]

Withholding is only a prepayment

- For 2026, separately identified supplemental wages of $1 million or less may use 22% federal income-tax withholding when the regulatory conditions are met. [4]
- The portion of aggregate supplemental wages from the employer that exceeds $1 million is generally withheld at 37%. [4]
- Neither percentage proves your final marginal tax rate. State tax, payroll tax, deductions, other income, prior withholding and estimated payments all matter.
- Never treat employer withholding as the tax bill.

> **A question worth asking your CPA**
> Have you projected this year's total tax liability from my salary, bonus and RSU vesting, rather than relying only on the amount my employer withheld?

Basis records matter

Your broker's Form 1099-B may need careful review against payroll and vesting records. Duplicate taxation can occur if basis is reported incorrectly on a return. Reconciling these records is a job for your CPA or tax preparer.

WORKED EXAMPLE

A down-market scenario

Illustration only. Federal withholding is simplified; payroll and state taxes are intentionally omitted.

Step	Math	Result
At vest and delivery	2,000 shares × $150 fair market value	$300,000 of compensation
Withholding	$300,000 × 22% (assumed)	$66,000 federal withholding
Later sale	2,000 shares × $100 sale price	$200,000 proceeds
Capital result	$200,000 proceeds − $300,000 basis	($100,000) capital loss

What did not happen

The later price decline did not reverse the $300,000 of compensation already recognized. The later result is generally a capital loss. If net capital losses exceed capital gains, an individual generally may deduct up to $3,000 against other income each year and carry the rest forward. [3]

Three teaching points

- A **sell-to-cover** transaction may create cash for withholding, but it does not prove enough was withheld.
- A **same-day sale** can reduce post-vest price exposure. It does not erase the compensation income or resulting tax at settlement.
- **Holding** can create upside, downside, dividends and capital-gain or loss consequences. It should be an intentional investment decision.

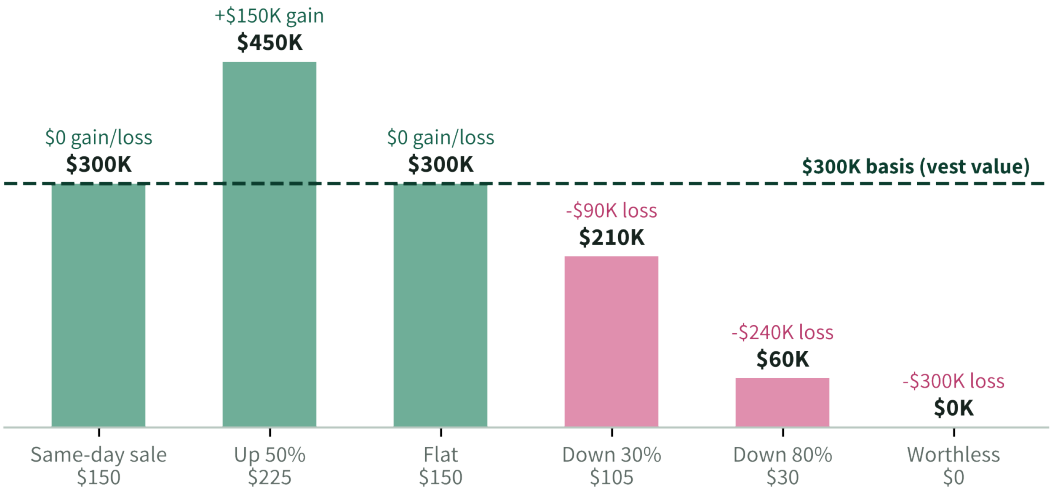
The $66,000 of withholding is assumed to be paid from separate cash, not by selling shares, so all 2,000 shares remain available for the later sale. Assumptions: publicly traded U.S. shares; ordinary RSU structure; vest and delivery occur together; shares are delivered with $150 per-share basis; the separate supplemental-wage withholding method is available; no other employer supplemental wages change the calculation. Actual plans and taxes vary.

SCENARIO LAB

One vest, six possible outcomes

The tax at settlement is the same in every case. Only the decision and the later share price change.

Value of 2,000 shares after one vest at $150, by later share price



2,000 shares vest at $150 = $300,000 of compensation and approximately $300,000 of basis. The example assumes $66,000 of simplified federal withholding is paid from separate cash, so all 2,000 shares remain available for comparison. [4]

Outcome	Price	Value	Gain / (loss)	What it teaches
Same-day sale	$150	$300,000	$0	Ends later price exposure; compensation tax remains.
Up 50%	$225	$450,000	$150,000 gain	Wealth rises, but concentration may rise with it.
Flat	$150	$300,000	$0	No price gain despite the time and issuer risk; dividends are not modeled.
Down 30%	$105	$210,000	($90,000) loss	The loss does not reverse compensation previously recognized at settlement.
Down 80%	$30	$60,000	($240,000) loss	Tax, goal and liquidity pressure can compound.
Worthless	$0	$0	($300,000) loss*	The Triple Exposure can hit income, grants and wealth.

*Worthless-security treatment and timing can be technical. Confirm when the loss is recognized and how it is reported with your tax adviser. [18]

Use the table as a stress test, not a forecast. For each row, ask what it would change in your taxes, liquidity, retirement timing, insurance funding and family plan.

SCENARIO LAB

Upside and downside both require planning

A rising stock can increase risk just as surely as a falling stock can reveal it.

Upside: stock rises $150 to $225

- **Share value:** $450,000. **Basis:** $300,000. **Unrealized gain:** $150,000.
- You are wealthier, but employer-stock concentration may now exceed your intended range.
- Selling can create capital gain; holding period affects short- versus long-term treatment.
- Future grants also rise in value, increasing forward-looking employer dependence.

Ask yourself

- If the position doubled again, would your plan be stronger, or simply more dependent on one company?

Downside: stock falls $150 to $105

- **Share value:** $210,000. **Basis:** $300,000. **Unrealized loss:** ($90,000).
- The original $300,000 compensation event is not undone.
- A sale generally realizes a capital loss; its tax value depends on other gains and the capital-loss rules.
- Waiting to “get back to even” is a behavior, not a financial plan.

Ask yourself

- If the company paid you $210,000 in cash today, would you put all of it into this stock?

Same process either way

Recalculate concentration, update the tax projection, check trading constraints, protect near-term liquidity and compare alternatives. A price forecast is not a substitute for a documented target range.

RISK DIAGNOSIS

The employer-stock Triple Exposure

The same company can simultaneously support your paycheck, your future compensation and your accumulated wealth.



Why this exposure is different

- Employment risk and investment risk can arrive together. A weak quarter may reduce the stock price, the bonus pool, hiring stability and the value of future grants.
- You may also hold the same company indirectly through broad funds, sector funds, employee plans or a spouse's compensation.
- SEC investor education warns that heavy employer-stock exposure can combine investment loss with possible job loss. [5]

Stress test
If the stock fell 40% and you lost your job in the same month, what happens to your emergency fund, upcoming taxes, planned retirement date, debt service and family protection?

Risk is broader than price

Risk	What it looks like	What to do
Concentration	Too much of your balance sheet depends on one issuer.	Measure employer stock as a percentage of investable assets and of total net worth.
Liquidity	Blackouts, pre-clearance, MNPI or plan terms may restrict action.	Confirm constraints before discussing timing.
Tax	Withholding shortfalls, basis errors and capital-loss limits can surprise.	Coordinate with your CPA before year-end.
Behavior	Loyalty, familiarity, anchoring and fear of regret can delay decisions.	Use goals and ranges, not predictions.

SCENARIO LAB

Disaster scenario: three losses at once

A severe case shows why the job, unvested grants and vested shares must be evaluated together.

When	What happens
Day 0	2,000 shares vest and are delivered at $150. You recognize $300,000 of compensation; simplified federal withholding is $66,000, assumed paid from separate cash rather than by net share settlement.
Month 1	You hold all shares. A further 4,000 RSUs are scheduled to vest over two years but remain unvested.
Month 3	A major company failure sends the stock toward $0. The vested position loses approximately $300,000 of market value.
Same week	Employment ends. Salary and bonus stop; unvested awards may be canceled under the plan. Company documents control.
Aftermath	The compensation tax event still occurred. Worthless-security loss timing, benefit elections, cash needs and the job transition now need coordinated action. [18]

Three losses arrive together

Paycheck	Future vests	Vested wealth
Current income stops. Benefits, severance and emergency reserves become immediate priorities.	Expected compensation may disappear before delivery. Do not count unvested awards as emergency liquidity.	Existing shares may lose most or all value. A tax loss may not provide immediate cash relief.

Response order

1) Preserve cash and benefits. 2) Update the CPA projection. 3) Collect vest, payroll and basis records. 4) Confirm company restrictions and plan terms. 5) Coordinate tax, securities, employment-law, estate and insurance professionals as the facts require.

Hypothetical illustration, not a forecast. It excludes state and payroll taxes, transaction costs and individual deductions.

CONCENTRATION

Use categories as conversation triggers

There is no universal legal or regulatory rule that says you must sell at any percentage. FINRA emphasizes that concentration depends on your complete portfolio and correlated holdings. [6]

Measure it two ways

Employer stock ÷ investable portfolio shows investment concentration. **Employer stock ÷ total net worth** shows balance-sheet dependence. Also count indirect exposure and future grants separately, and state the denominator every time: “30% of investable assets” and “20% of total net worth” can both be true and lead to different conversations.

Category	How to treat it
Material position	Document the amount, basis, restrictions, future grants and the role the stock plays in the plan.
Elevated employer dependence	Employer stock is large relative to your investable assets or net worth, or your income and future grants depend on the same company. Review goals, risk capacity and correlated exposures.
High concentration requiring prompt review	A large share of your balance sheet depends on one issuer. This often warrants a prompt, documented diversification discussion with a licensed securities professional.
Any level	A near-term spending goal, a fragile cash reserve or high job dependence can make even a smaller position important.

> **The strongest reframing question**
> “If your next $500,000 award arrived entirely in cash, how much would you use today to buy your employer’s stock?” This is not a sell recommendation. It separates company loyalty from portfolio construction and shows that holding vested shares is an active choice.

Do not overlook

- Unvested awards are future compensation, not a liquid asset, but they increase forward-looking employer dependence.
- Home equity, private-company interests and sector funds may add correlated exposure.
- A concentrated position with large unrealized gains may need staged, charitable, estate or hedging analysis by appropriately qualified professionals.
- Diversification reduces issuer-specific risk but does not assure profit or prevent loss. [6][7]

TRADING CONSTRAINTS

Do not assume a sale date

Company policy and securities law can control when and how an employee may trade.

Common constraints

- Open-window and blackout calendars, and company pre-clearance.
- Possession of material nonpublic information (MNPI).
- Section 16 reporting and short-swing considerations for some insiders.
- Lockups, holding requirements, pledging limits and plan settlement rules.
- Country-specific tax, securities and exchange-control rules for global employees.

> **A safe next step**
> Because company policies and securities rules may limit your options, confirm the available timing and methods with your employer's legal or compliance team and your securities adviser before acting.

Rule 10b5-1 is a framework, not a magic shield

A compliant plan may provide an affirmative defense when it is adopted in good faith while the person is not aware of MNPI and all rule conditions are satisfied. Such a plan can later execute trades even if the person becomes aware of MNPI, but it cannot be adopted or modified while the person is aware of it. Current SEC rules include cooling-off periods and limits on overlapping and single-trade plans. Directors and officers generally face the later of 90 days or two business days after specified financial-results disclosure, capped at 120 days; other persons generally face 30 days. [8][9]

Reasonable to ask

- Whether your company offers a trading plan.
- Whether your legal or compliance team and a securities professional should review it.
- That no trade timing has been promised to you.

Not safe to assume

- That you may adopt or modify a plan while aware of MNPI, or that any plan automatically protects a transaction from insider-trading liability.
- That the company will approve a plan you set up now.

REAL-WORLD SITUATIONS

Six situations RSU holders often meet

The right response is usually a question and a handoff, not an instant product recommendation.

Situation	What happens	What to do
Same-day sale	Shares are sold when delivered at approximately the vest price.	Little post-vest gain or loss; settlement compensation and final tax liability remain.
Withholding gap	Employer withholds $66,000; your CPA estimates $105,000 of federal tax attributable to the hypothetical taxable settlement.	Illustrative $39,000 cash gap. The $105,000 assumes a 35% incremental federal income-tax rate. Reserve the gap before allocating proceeds elsewhere.
Blackout drop	The stock falls during a period when company policy prevents discretionary sales.	Confirm options with legal or compliance; a 10b5-1 plan must satisfy the rules and be established appropriately in advance.
Basis mismatch	Broker reporting does not reflect compensation already included in wages.	Reconcile payroll, vest and Form 1099-B records with your tax preparer.
Vesting cliff	A large award is scheduled next month and you are considering a job change.	Review the plan, offer terms and forfeiture rules, and get employment advice before assuming the award will vest.
Private company	Shares vest and are delivered but are not readily saleable; a tender offer or liquidity event is uncertain.	Tax and liquidity can separate. Engage a specialist; do not count on a market or an estimated valuation.

> **A good rule**
> Name the scenario, quantify the exposure, identify the deadline and bring in the correct professional. Never let a tax deadline, blackout, vest date or fear of missing upside force an unreviewed decision.

All numbers are hypothetical and exclude state taxes, payroll taxes, transaction costs, dividends, net investment income tax, and individual deductions or credits. They are teaching examples, not tax calculations or forecasts.

PLANNING PROCESS

Build your RSU map before any decision

Four buckets keep every dollar from being treated as available for the same solution.

A UNVESTED RSUs	B VESTED EMPLOYER STOCK	C DIVERSIFIED + LIQUID	D PROTECTION + TAX BUCKET
Future compensation, not liquid wealth.	Owned shares: value, basis, restrictions.	Cash, retirement plans, brokerage, real estate.	Insurance, reserves, estate structures.

Do not skip a step

Bucket B does not automatically move to Bucket D. First determine taxes, liquidity, an appropriate retained position, a securities strategy, any insurance need and sustainable funding.

The planning sequence

1 MAP	Unvested grants · vested shares · basis · vest dates
2 RESERVE	Projected taxes and near-term liquidity
3 CHECK CONSTRAINTS	Trading windows · MNPI · pre-clearance · plan rules
4 SET A TARGET	An employer-stock range chosen with a licensed adviser
5 ALLOCATE	After-tax proceeds matched to goals, horizon and risk capacity

POSSIBLE DESTINATIONS (NOT A PRODUCT ORDER)
reserves · debt · diversified investments · charitable / estate goals · insurance when suitable

The destination test

Every dollar needs a job, a time horizon, a liquidity requirement, a risk role, a tax treatment and an accountable professional. A product is not a plan.

Diversification can include a staged sale program, diversified market exposure, cash reserves, debt reduction, and charitable or estate strategies, and sometimes insurance. Some techniques involve material costs, taxes, legal risk or licensing requirements and should be presented only by qualified professionals.

LIFE INSURANCE

Where permanent life insurance may fit

This section does not assume insurance is the destination for RSU proceeds. It explains when permanent coverage may deserve consideration after taxes, liquidity, concentration and the underlying insurance need have been addressed. Indexed universal life (IUL) is one possible design.

	Condition	What it means
1	**Insurance need**	There is a documented need for death-benefit protection, estate liquidity, family protection or another legitimate insurance objective.
2	**After-tax funding**	Premiums come from sustainable after-tax cash flow, after tax reserves, emergency liquidity, debt needs and near-term goals.
3	**Long horizon**	Early cash values may be low and surrender can be costly. Life insurance is usually a long-duration commitment. [10]
4	**Underwriting**	Age, health, carrier, state and product terms support a suitable design, and alternatives are compared.
5	**Active monitoring**	Funding, charges, non-guaranteed elements, loans, beneficiaries and performance are reviewed regularly.

Correct positioning

After taxes, liquidity and the employer-stock strategy are addressed, evaluate whether part of your sustainable after-tax cash flow belongs in permanent life insurance for protection and tax diversification.

Federal tax framing

Death benefits are generally excluded from gross income under IRC Section 101, subject to statutory exceptions. A contract must satisfy IRC Section 7702 to qualify as life insurance for federal tax purposes. Distribution treatment depends on the contract, basis, MEC status, transactions and whether the policy remains in force. [11][12][13][14]

Design, illustration and monitoring checklist

Step	What a documented design includes
Need	Quantify the death-benefit need and duration; compare term, guaranteed and cash-value options.
Funding	Test planned and reduced premiums; preserve reserves and avoid relying on future stock prices.
7702 / MEC	Confirm corridor, premium limits and MEC testing through carrier systems.
Guarantees	Show guaranteed and non-guaranteed columns; explain which values can change.
Charges and service	Explain caps, participation rates, spreads, premium loads, cost of insurance and rider charges; stress-test loans or withdrawals for interest and lapse; set annual reviews.

BALANCED POSITIONING

IUL: what it does and does not do

If you wonder whether IUL solves an RSU tax or concentration problem, this is the honest answer.

An IUL may

- Provide a permanent death benefit if the policy remains in force.
- Accumulate cash value on a tax-deferred basis under applicable federal tax rules.
- Credit interest through fixed and/or indexed strategies under policy terms; you are not directly invested in the index.
- Offer access through withdrawals and loans, subject to basis, MEC status, charges, interest and lapse risk.
- Add a different risk and tax bucket when there is an insurance need and long-term funding capacity.
- Offer optional riders depending on carrier, state, underwriting, definitions, costs and availability.

An IUL does not

- Erase compensation tax when RSUs are settled.
- Make employer-stock sales free of capital-gains tax.
- Directly diversify shares that remain unsold.
- Guarantee positive index credits, cash-value growth or tax-free income.
- Make a 0% index-crediting floor equal to a 0% change in net cash value; charges and loans still apply.
- Remove the need for liquidity, diversified investments, tax planning or policy reviews.

A statement you should never hear

"We can use IUL to avoid tax on your RSUs." A policy is funded with after-tax dollars and does not reverse compensation tax created at settlement or capital-gains tax created by a later sale.

Loan and lapse warning

Policy loans accrue interest and reduce available cash value and death benefit. Heavy loans, withdrawals, underfunding or unfavorable policy performance can increase lapse risk. A lapse or surrender with gain, especially after loans, may create taxable income. Unpaid loans generally reduce the death benefit. [10][14]

Illustrations are not projections

Universal-life illustrations contain non-guaranteed elements. Review carrier-approved materials, current assumptions and in-force ledgers, and do not treat illustrated values as promises. [15]

Compare before deciding

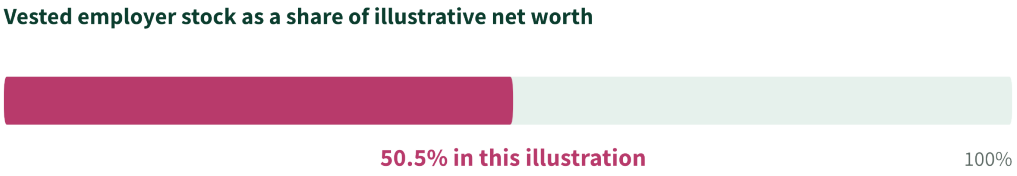
At a minimum, compare no action, term insurance plus separate investing, other permanent-insurance designs, diversified taxable investments and the proposed IUL. Document why the selected approach fits the insurance need, risk tolerance, liquidity, time horizon, tax situation and ability to fund.

EXECUTIVE CASE STUDY

Ava's concentrated balance sheet

Hypothetical example. It is not a recommendation, projection or carrier illustration.

Current snapshot	
Age 46, married, two children	Salary + cash bonus: $450,000
Vested employer stock: $2.40M	Diversified investments: $1.60M
Cash: $250,000	Home equity: $500,000
Scheduled RSUs: estimated $1.80M over 24 months	Illustrative net worth: $4.75M



Two ways to measure: vested stock is 50.5% of total net worth ($2.40M ÷ $4.75M) and about 56.5% of financial assets ($2.40M ÷ $4.25M, using stock, diversified investments and cash).

Employer exposure also includes income and future grants. A 40% stock decline would reduce current net worth by about $960,000 before considering unvested awards or employment impact.

Coordinated planning sequence

	Who	What happens
1	**CPA**	Project full-year tax and reserves; reconcile prior basis reporting.
2	**Company / counsel**	Confirm windows, pre-clearance, MNPI status, holding rules and whether a 10b5-1 plan is appropriate.
3	**Securities professional**	Set a target range and a staged diversification process consistent with goals and risk capacity.
4	**Insurance professional**	Quantify family and estate protection, compare coverage types and test sustainable premiums after reserves and diversification.

A possible outcome

Ava retains an intentional employer-stock position, creates tax and liquidity reserves, diversifies under a securities plan, and buys only the amount and type of insurance supported by a documented need and long-term funding analysis. The case does not assume that all sale proceeds fund insurance.

YOUR RSU MAP

Twelve questions to map your RSU picture

Questions 1 to 6 build the map. Questions 7 to 12 reveal taxes, risk, priorities and the right handoffs.

#	Topic	Question
1	**Compensation**	Approximately how much of your annual compensation comes from RSUs?
2	**Concentration**	Roughly what percentage of your total net worth is tied to employer stock?
3	**Vested shares**	How much employer stock do you already own that is vested?
4	**Basis / gain**	Do those vested shares have significant unrealized gains or losses?
5	**Pipeline**	How much is scheduled to vest over the next 12 to 24 months?
6	**Cadence**	Do grants vest monthly, quarterly, annually or on another schedule?
7	**W-2 picture**	What is your approximate total W-2 income, including salary, bonus and RSUs?
8	**Tax plan**	Has your CPA projected total tax liability instead of relying only on withholding?
9	**40% test**	If the stock fell 40% tomorrow, what changes in your plan?
10	**Double hit**	If the stock fell and employment ended, how long would your liquidity last?
11	**Destination**	When shares are sold, where does the after-tax money currently go?
12	**Priority**	Which matters most now: liquidity, diversification, protection, retirement flexibility, health or long-term-care planning, or legacy?

If time is short

Start with #2 (concentration) and #5 (what vests in the next 12 to 24 months). Either an unknown basis, a large percentage, an upcoming cliff vest, a tax surprise, a blackout or an emotional attachment can justify a deeper conversation.

Documents to gather, securely

Before uploading, redact full account numbers and Social Security numbers.

Equity and tax	Household and policy
Most recent equity statement or grant summary	
Vesting schedule and plan document	Employer insider-trading policy and window calendar
Recent paystub showing vest and withholding	Household balance sheet and monthly cash needs
Brokerage statement and available basis detail	Existing insurance policies and in-force ledgers
Most recent tax return and current CPA projection	

PLANNING CALENDAR

An RSU planning calendar

A simple rhythm turns an RSU schedule into a plan. Use it with your CPA and securities professional.

1	**90 days before a vest**	Review the grant, the expected value, your employer's trading rules and the tax projection.
2	**30 days before a vest**	Confirm cash reserves for taxes and the intended sell or hold process, within company rules.
3	**Vest and settlement date**	Record the shares delivered, fair market value, income recognized and withholding.
4	**After settlement**	Reconcile the paystub, the brokerage statement and the cost basis.
5	**Every quarter**	Update employer-stock concentration and future-vesting exposure.
6	**At year-end**	Review estimated tax payments and capital gains or losses with your CPA.

Make it yours

Add your employer's trading-window dates, your vest dates and your CPA's estimated-payment deadlines. If a step involves selling, holding or hedging, confirm timing and method with your employer's legal or compliance team and a licensed securities professional first.

A PERSONAL INTRODUCTION

Meet Nanda: Why This Work Matters to Me

Before you decide to work together, it helps to know the person you would be working with.



Nanda Sringari
Founder, Legacy Builder Financial Services

Licensed Insurance Producer

Entrepreneur · Husband · Father · Mentor

A note from Nanda

I started in engineering and information technology, trained to look beneath the surface and understand how things really work. That mindset led me into entrepreneurship, where I learned that building anything worthwhile takes patience, resilience and good people.

At the center of my life is my family. Sangeetha has been my partner in life and in business, and together we raised three children, now adults. Long before I entered financial services, our family had achieved financial independence. I share that not to impress you, but because it changed how I think about money.

Money matters, but what it makes possible matters more: choices for a family, protection for the people they love, dignity in uncertain times and the freedom to contribute to something bigger.

Eventually, I began asking myself a different question:

How does a great equity package become lasting security?

That question brought me to financial services and led me to found Legacy Builder Financial Services. Equity pay is a good example. A large share of a household's wealth can sit in one company's stock, vesting on a schedule the family does not control. I want to help families understand money more clearly, so that every decision is an informed one.

I remember the mentors who believed in me, sometimes before I fully believed in myself. Now I try to do the same for the families I serve: tell the truth, explain the trade-offs and stay present when decisions get difficult.

If you would like to talk it through, let's have an open, honest conversation. We can look at your facts, ask the important questions and see whether there is a genuine fit on both sides. Then you can decide for yourself.

What drives me

I believe wealth is bigger than a number: it is confidence, protection and the freedom to choose your next chapter. My goal is to help one million families build stronger financial futures and to develop leaders who carry that mission forward.

Education before decisions

You should understand why, not merely be told what to do. I explain first and welcome your questions.

Clarity before commitment

I explain what a plan involves, what it costs and what the trade-offs are, so you can make an informed decision.

People before transactions

I would rather earn your trust than rush your decision. Your family, goals and timeline deserve respect.

Nanda Sringari is a licensed insurance producer (NPN 21273835). Financial independence is the author's own circumstance, not a representation about anyone's results, and nothing in this paper is a guarantee of results.

WHY WORK WITH LEGACY BUILDER

Education first, then a coordinated plan

Equity pay touches taxes, securities rules, cash flow and family protection. Our role is to organize the facts, ask the right questions and bring the right professionals together.

Six things we look at in every RSU conversation

1 Concentration
Employer stock measured against investable assets and total net worth, with the denominator always stated.

2 Tax readiness
Whether your CPA has projected the full-year liability, so withholding is not mistaken for the bill.

3 Liquidity and reserves
Cash set aside for taxes and emergencies before any dollar is assigned a new job.

4 Trading constraints
Windows, pre-clearance and MNPI, confirmed with your employer's legal or compliance team.

5 Target and process
A range and a staged plan you set with a licensed securities professional, not a forecast.

6 Protection need
Insurance considered only when there is a documented need and sustainable after-tax funding.

How we work on every case

1. Map	2. Stress-test	3. Coordinate	4. Review
Unvested grants, vested shares, basis and vest dates.	A 40% drop, a job loss, a blackout, a tax gap.	CPA, company counsel and securities professional in their own lanes.	Revisit after each vest, price move or life change.



Education before recommendation

Our aim is that you understand your equity pay, your exposure and your options, with the trade-offs shown plainly. We do not tell you when to sell, hold or hedge company stock, and we do not give tax or legal advice. We help you ask better questions of the professionals who do, and we design protection only where a real need exists.

Nanda Sringari · Legacy Builder Financial Services (LBFS) · Naples, Florida

What every RSU review includes

A written assumptions summary, an RSU map covering unvested grants, vested shares and basis, and a high-level view of your concentration, tax-withholding and liquidity exposure, with questions to take to your CPA and securities professional. When insurance is relevant, the review also includes guaranteed-versus-nonguaranteed comparisons and policy-loan risk considerations.

Why professionals choose to work with us

Education before products. Your CPA and securities professional are welcome in every conversation. And honesty about limits: no insurance design erases RSU tax, diversifies shares you still hold or guarantees credits, and life insurance is not right for everyone. If another tool fits you better, we will say so. The next page shows two simple ways to begin.

A LOOK AT THE DELIVERABLE

A sample RSU Exposure Snapshot

This is the one-page summary you receive after your review. All figures below are hypothetical and sanitized.

EMPLOYER STOCK / FINANCIAL ASSETS

56.5%

$2.40M of $4.25M (stock, diversified investments and cash)

EMPLOYER STOCK / NET WORTH

50.5%

$2.40M of $4.75M, including $500,000 home equity

SCHEDULED 12-MONTH VESTING

$0.9M

Estimated value, assuming the $1.80M vests evenly over 24 months

WITHHOLDING VS. PROJECTED TAX

$39,000 gap

$66,000 withheld vs. $105,000 CPA estimate (illustrative)

EMERGENCY LIQUIDITY RUNWAY

About 7 months

$250,000 cash ÷ $35,000 assumed monthly spending

TRADING CONSTRAINTS

Quarterly windows

Pre-clearance required; no 10b5-1 plan in place (hypothetical)

Questions for your CPA

- Has the full-year liability been projected from salary, bonus and RSU settlement?
- How should the withholding gap be reserved and paid?
- Are basis records reconciled between payroll and the broker?

Questions for your securities professional

- What employer-stock range fits our goals and risk capacity?
- What staged process is appropriate, given company trading rules?
- How are indirect and correlated holdings counted?

What the snapshot is, and is not

It organizes your facts and surfaces questions. It is not tax, legal or investment advice, and it does not recommend selling, holding or buying any security or insurance product. Sample figures are hypothetical and are not tied to any real person.

NEXT STEPS

Two simple ways to begin

You set the pace. The first step is education, not a product decision, and there is no obligation.

IF YOU ARE STARTING FROM SCRATCH

RSU Exposure & Liquidity Review

In one focused conversation, we organize the facts that drive the planning question: how much of your income and net worth depends on one employer, what vests next, your tax and liquidity picture and any trading constraints. You receive a one-page **RSU Exposure Snapshot** and a focused question list to review with your CPA and securities professional.

IF YOU ALREADY HOLD SHARES OR A POLICY

Start With What You Already Have

Use our secure upload link to share a current equity statement, recent paystub, brokerage statement or in-force policy illustration. We organize the information into an RSU Exposure Snapshot and identify questions to discuss with your advisers.

Scan to schedule

How it works

1. **Schedule** a 30-minute Zoom meeting at calendly.com/nandasringari/meet-on-zoom or scan the code.
2. **After booking,** you will receive a secure upload link and a short preparation checklist. Please do not email financial statements, equity documents or insurance documents.
3. **Bring five facts:** approximate annual RSU compensation; vested employer-stock value and basis; what vests in the next 12 to 24 months; your employer's trading windows or restrictions; and your CPA's latest tax projection.
4. **Within a few business days,** receive your one-page RSU Exposure Snapshot and adviser question list. We will schedule a brief follow-up to walk through it together.

For CPAs, securities professionals and other advisers

If a client has meaningful employer-stock concentration, large upcoming vests or a withholding gap, invite us to a joint review. With the client's permission, we will share our assumptions and any carrier-approved illustrations for your independent review. We do not replace the client's tax, legal, securities or investment advisers.

Know someone who may benefit? Forward this paper or introduce us by email. A simple introduction is enough, and we will keep the first conversation educational.

How we are compensated

If you purchase an insurance product through us, the licensed insurance professionals involved in the transaction may receive commissions from the insurer. Reviewing this paper or requesting a review creates no obligation to purchase a product.

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WEALTH.
PRIDE.
PEACE OF MIND.

SOURCES

Where the facts and figures come from

Tax rules and regulatory guidance can change. Please confirm with your own advisers before relying on them.

Reviewed November 16 to 17, 2026. Links open the cited page. Product-specific statements must always come from current approved carrier materials and the issued policy.

[1] IRS Publication 525 (2025), Taxable and Nontaxable Income, Restricted Property. irs.gov/publications/p525

[2] IRS Publication 551 (Rev. Dec. 2025), Basis of Assets. irs.gov/publications/p551

[3] IRS Publication 544 (2025), Sales and Other Dispositions of Assets, capital-loss limit. irs.gov/publications/p544

[4] IRS Publication 15 (2026), Employer's Tax Guide, supplemental wages. irs.gov/publications/p15

[5] SEC Investor Bulletin, 13 Things Everyone Should Know About Investing. sec.gov/files/13thingstoknowaboutinvesting.pdf

[6] FINRA, Concentrate on Concentration Risk. finra.org/investors/insights/concentration-risk

[7] SEC, Beginner's Guide to Asset Allocation, Diversification, and Rebalancing. sec.gov/about/reports-publications/investorpubsassetallocationhtm

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[16] NAIC, Life Insurance consumer information. content.naic.org/consumer/life-insurance.htm

[17] NAIC, Life Insurance overview, including indexed universal life. content.naic.org/insurance-topics/life-insurance

[18] IRS Publication 550 (2025), Investment Income and Expenses, worthless securities. irs.gov/publications/p550

[19] **Principal RSU-specific source.** IRS Publication 5992, Equity (Stock)-Based Compensation Audit Technique Guide, restricted stock units (Section G.3). irs.gov/pub/irs-pdf/p5992.pdf

Research note. This paper intentionally omits sensational single-stock statistics and uses qualitative categories rather than numerical thresholds. Decisions should be based on your complete facts, not a universal threshold or a market forecast. The case studies and scenarios were prepared by Legacy Builder from the stated assumptions.

IMPORTANT DISCLOSURES

Please read

Educational and hypothetical. This paper is for general education. Scenarios and case studies are fictional, use assumptions stated on the pages, and are not predictions or promises of any outcome. Actual results will differ. RSU plans, tax results and insurance contracts vary; consult your plan documents and qualified professionals.

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Third-party information. Third-party facts and legal summaries were reviewed against the cited sources as of November 17, 2026. Legacy Builder does not guarantee that those sources are complete or that the information will remain current after that date. Mention of any third party does not imply endorsement.

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Edition: November 2026. Tax-law and source review current through November 17, 2026.

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