COTTAGE HILL CAPITAL

EQUITY COMPENSATION GUIDE

AMAZON RSU OPTIMIZATION PLAYBOOK

A practical guide for Amazon employees working through equity, taxes, and benefits at every stage of vesting.

Your equity comp package can be one of the most valuable parts of your earnings, and one of the easiest to mishandle. This guide walks through Amazon's vesting structure, the tax decisions that come with it, and how to coordinate your RSUs with the rest of your benefits so the windfall years don't catch you off guard.

> ***No sales pitch. No email gate. Just education-forward, practical financial advice.***

HOW AMAZON VESTS

THE 5 / 15 / 40 / 40 SCHEDULE

Amazon's four-year RSU vesting schedule is back-loaded. The bulk of your equity arrives in years 3 and 4, which means most of your tax planning has to happen before then, not after.

YEAR 1	YEAR 2	YEAR 3	YEAR 4
5%	15%	40%	40%
cliff year	ramp	big tax year	big tax year

WORTH KNOWING

If you leave Amazon before year 3, you forfeit the majority of your unvested equity. Build that into any career decision involving an exit, a competing offer, or a move.

PLAN AHEAD

STAY AHEAD OF THE BIG TAX YEARS

Vest-heavy years can push you into higher tax brackets and concentrate your net worth in a single stock. Three moves to plan in advance:

1 ANTICIPATE INCOME SPIKES

- Years 3 and 4 typically produce the largest taxable income from vesting.
- Default RSU tax withholding is often too low for higher earners and can leave a surprise bill.

2 OFFSET GAINS WITH TAX-LOSS HARVESTING

- Selling losing positions in a taxable account can offset capital gains from RSU sales.
- Pair harvesting with portfolio rebalancing to reduce single-stock concentration.

3 DONATE APPRECIATED SHARES TO A DONOR-ADVISED FUND

- Donating appreciated RSUs to a DAF can avoid the capital gains hit on sale.
- You get a charitable deduction at fair market value, useful when you want to give and trim a concentrated position at once.

COORDINATE YOUR BENEFITS

DON'T LEAVE THE EASY MONEY BEHIND

1 HIT THE 401(K) MATCH

- Amazon matches 50% of contributions up to 4% of base salary.
- Traditional pre-tax contributions often beat Roth for higher-bracket earners.

2 MAX THE HSA IF ELIGIBLE

- The only account with triple tax advantages when paired with a high-deductible plan.
- Pre-tax in, tax-free growth, tax-free out for qualified medical costs.

WHEN LIFE CHANGES

MOMENTS TO REVISIT THE PLAN

Equity, taxes, and benefits don't stay static. A few moments worth a second look at the full picture:

LEAVE OF ABSENCE OR RAMP-BACK

- RSUs may continue to vest during a leave. Confirm what your specific grant terms say and factor any continued vesting into your annual tax projection.

A MOVE THAT CROSSES STATE LINES

- State and local tax rates can shift significantly across the country. Update withholdings and review residency rules before, not after, the move.

PROMOTION OR REFRESH GRANT

- A new grant starts its own four-year vesting schedule. Add the new vest dates to your tracker so they don't surprise you at tax time.

NEED A THINKING PARTNER?

ALEX R. BUELLESBACH

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Whether you're planning a major move, a promotion, or you just feel unsure about how to balance RSUs, taxes, and retirement goals, I'm happy to help.

SCHEDULE TIME TO CONNECT

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