Roth, Vesting & Equity Basics

Full voiceover transcript - educational content only

Scene 1: Roth vs Traditional

Pixel Quest · Module 3 - Part 2

Traditional four oh one k: pre-tax now, taxed in retirement. Roth four oh one k: after-tax now, potentially tax-free withdrawals later if IRS rules are met. Younger workers sometimes lean Roth when they expect higher future tax brackets - keyword: sometimes. Tax planning is personal. IRS dot gov for rules, CPA for you.

Scene 2: Vesting: what you keep when you leave

Job-hoppers listen up

Your own contributions are yours. Employer contributions may vest over time. Cliff vesting: all at once after a period. Graded vesting: a little more each year. Unvested employer money can disappear when you leave. Check vesting before you take a new offer based only on salary - that match might not be yours yet.

Scene 3: RSUs · ESPP · Options

Equity in 60 seconds

Some employers offer stock. ESPP: buy company stock through payroll, sometimes at a discount. RSUs: shares that vest on a schedule - taxes typically at vesting. Stock options: right to buy at a set price - tax complexity is real. This is awareness only, not advice. If you have equity comp, read your plan docs and talk to a tax pro.