

Know your restricted cash

Make the most of your equity compensation by **learning how restricted cash awards work.**

What is restricted cash?

Your restricted cash award is an important part of your compensation — it's your company's way of sharing the success of all your hard work. A restricted cash award is similar to a traditional bonus, but because it vests over time you can't make use of it right away.

By offering you a restricted cash award, your employer is making an investment in you. Your company has chosen UBS to help you understand your award so that you can make informed decisions. Learning how your restricted cash works and what choices you have in managing it can help you make the most of your award.

Receiving your restricted cash

Your benefit starts on the award date, but because your award is restricted at first you can't make use of it yet. For that you need to remain employed at your company until your award vests.

To preserve your rights to your restricted cash, your company may require you to acknowledge your award by either:



Accepting your
award online

Or



Signing and
returning the
award agreement

Find more details about your cash award on the UBS website or in your award agreement.

When your cash vests

Your award vests according to a schedule that describes the date(s) your cash award vests and how much vests on each date. It will be denominated in either US dollars or the currency you normally receive as your pay.

Upon vesting, the cash becomes fully yours and is paid through payroll or deposited into your UBS account. You don't need to do anything with your cash once it vests, but you can if you are ready.

If you leave your employer, be sure to check the terms in your award agreement, as your unvested cash awards may be canceled.

Using your award to achieve your goals

What you do with your cash award depends on your personal needs and goals. You have three main choices:

- **Save:** Putting your cash award into savings or your emergency fund can help you strengthen your financial safety net.
- **Invest:** When planning for long-term financial goals, such as retirement or college, it may make sense to incorporate your cash award into your financial plan.
- **Employ:** Perhaps you have an immediate need for the funds, such as a down payment on a home or managing your debt. In that case, you may want to use the cash.

Remember that vested cash awards create tax implications. Your tax rate varies by your country, location and income. Be sure to consult your tax advisor to learn more.

Stay in cash or put your award to work?

If you're not planning to employ your award and you're deciding whether to save or invest it, here are the key differences to consider:

Cash can be



Safer



Lower potential return



Easier to access

Investments can be



Higher risk



Higher potential return



Harder to access

Insider trading: Know the rules



Violations of insider trading laws can result in significant penalties, so it's important to understand and follow these rules. Your company's insider trading policy may also restrict you from exercising or trading shares at certain times.

Now that you've learned the basics about your restricted cash awards, take the next step by exploring more of the UBS resources available to you. The more you know, the more confident you can feel that you're getting the most from your compensation.

Key takeaways

- Your restricted cash award is compensation similar to a traditional bonus but is restricted for a period of time.
- Your benefit begins on the award date, and your company may require you to acknowledge your award.
- Your award vests over time. Upon vesting, you receive cash through payroll or in your UBS account.
- Depending on your personal needs and goals, you have choices for what to do with your cash award.
- You can find details on the terms of your restricted cash in your award agreement.

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