

2025 EDITION

ROBLOX **Employee** **Benefits** **Playbook**

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THE ROBLOX EMPLOYEE BENEFITS PLAYBOOK

One of the biggest risks employees face is leaving money or tax savings on the table.

This can be a costly oversight. Roblox offers a powerful suite of benefits, from RSUs to 401(k) matching, but without a strategy, you might miss hidden opportunities or face unexpected tax burdens. To help you optimize every dollar, this guide breaks down the key questions to ask when navigating your Roblox compensation:

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How Do Roblox RSUs Work—and What Tax Traps Should You Avoid?

What Are RSUs?

RSUs (Restricted Stock Units) are shares of Roblox stock that are granted to you over time. You don't own them when they're granted — you earn them through vesting, often quarterly.



When Are RSUs Taxed?

On vesting day, the value of the shares you receive is treated as taxable income by the IRS. Even if you don't sell them, you owe taxes the year they vest.

- Vesting = Taxable Income
- You'll receive a W-2 reflecting this income
- Roblox withholds tax by selling a portion of your shares automatically

The RSU Tax Trap Most Employees Miss

Roblox's default tax withholding is only 22%, but high-income earners can owe 37–50% depending on federal + state brackets.

This creates a tax shortfall, and many employees find themselves surprised by:

- Tax underpayment penalties
- Massive balances owed in April
- Confusing W-2 vs. 1099 forms

So, how do you avoid this?

Update your W-4 withholding or set aside cash in advance.



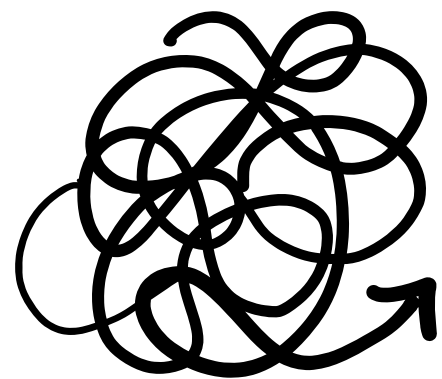
Why Holding RSUs Can Hurt You

Behavioral traps often keep employees holding too much company stock:

- **Overconfidence:** “I work here — it’ll go back up.”
- **Anchoring:** Waiting for a price it previously hit.
- **Loyalty bias:** “It feels wrong to sell.”

But if Roblox stock drops:

- Your **portfolio** drops
- Your **job security** may drop
- And your financial future could take a hit



Diversify once shares vest. RSUs are income. Treat them that way.

Is the Roblox ESPP Really “Free Money”? (Spoiler: It’s Complicated)

What Is the ESPP?

Roblox’s ESPP lets you buy RBLX shares at a 15% discount using after-tax paycheck deductions.

The lookback feature means you get to buy at the lowest price between the start or end of the 6-month purchase window.

How You Get Taxed

ESPP shares can generate two types of income:

- Ordinary income (if sold immediately or before holding period)
- Long-term capital gains (if held long enough)

Pro tip: You control when you sell ESPP shares — which gives you a tax planning advantage vs. RSUs.

ESPP Risks & Tradeoffs

- Selling early = higher taxes
- Contributing too much = missing out on better tax shelters (like 401(k)s or HSAs)
- Overconcentration = doubling down on RBLX exposure

Ask yourself:

- Can you afford to lock up the money?
- Does ESPP make sense after maxing your 401(k) match or HSA?

In Summary?

Done right, ESPP can boost compensation.

Done wrong, it adds tax headaches and risk.

Traditional vs. Roth 401(k): Which One Saves More Taxes?



Know the Difference

Traditional 401(k):

- Contribute pre-tax
- Reduce your taxable income today
- Pay taxes on withdrawals in retirement

Roth 401(k):

- Contribute after-tax
- No tax deduction now
- Withdraw everything tax-free in retirement

Which one to Choose

- **High earners** → Traditional usually saves more now
- **Young or expecting higher taxes later** → Roth gives long-term advantages
- **Not sure?** → Speak with an advisor / use a mix

BONUS: CONVERSION STRATEGY

You can convert Traditional to Roth later (aka Roth Conversion), which lets you:

- Pay tax on **your terms**
- **Hedge** against future tax increases
- Lock in **tax-free growth**

The right 401(k) choice now could be worth six figures at retirement.

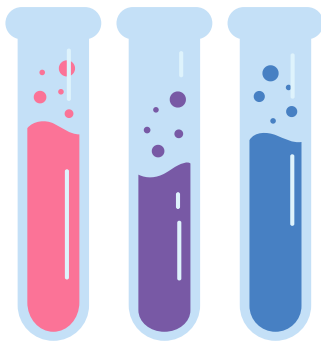
Why Is an HSA Smarter Than Your 401(k) for Long-Term Wealth?

HSA = Triple Tax Advantage

If you're on a High Deductible Health Plan (HDHP), you're eligible for an HSA.

Benefits?

- Pre-tax In
- Tax-Free Growth
- Tax-Free Out (if used for medical expenses)



The Advanced Play

Don't just spend your HSA. Invest it.

- Pay medical bills out of pocket
- Save receipts
- Let the HSA compound
- Reimburse yourself years later, tax-free

After Age 65?

- Use for anything: taxed like Traditional IRA
- Still tax-free for medical expenses
- No required minimum distributions

HSA = the only account with triple tax benefits.

Use it to future-proof your healthcare and retirement.

Should You Use a Backdoor Roth IRA?

The Workaround for High Earners

High income? Can't contribute to a Roth IRA directly?

Use the **Backdoor Roth Strategy**:

1. Contribute to a non-deductible Traditional IRA
2. Convert to a Roth IRA

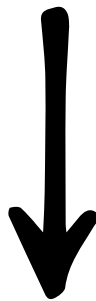
What's the Catch?

If you have other pre-tax IRAs, the IRS will tax a pro-rata portion of the conversion.

- Example: \$6K non-deductible + \$24K deductible → 80% of the conversion is taxable

Clean IRA balances are key

Proper documentation + timing is essential



**This strategy is powerful —
but one mistake can create a painful surprise tax bill.**

How to Balance RSUs, ESPP, and 401(k) Wisely

Your Core Options

- **RSUs = Income (taxed immediately)**
- **ESPP = Optional (taxed later, some control)**
- **401(k) = Tax-sheltered (builds diversified wealth)**

Immediate Action Plan

1. Contribute enough to 401(k) to get full match
2. Consider HSA if eligible
3. Fund ESPP only if you can sell + diversify
4. Treat RSUs as income, and diversify ASAP



The key is knowing how each benefit fits into your personal tax situation and long-term plan.



Ready to Master Your Roblox Benefits?



Hey, I'm Alex.

I help Roblox employees:

- Optimize their RSU strategy
- Build tax-efficient portfolios
- Balance ESPP, 401(k), and HSAs strategically

Whether you're optimizing your future tax bill or planning for long-term wealth — **we'll create a plan that works specifically for you.**

[Let's take 15 minutes to get you clarity and confidence.](#)

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