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LANDFALL GUIDE · TAXES IN BOTH COUNTRIES

What happens to my stock options and RSUs when I move to the UK?

THE SHORT ANSWER

They can be taxed by both countries. The UK generally taxes the part of an award that relates to days you worked in the UK, while the US taxes you on all of it as a citizen and gives credit for UK tax. Mapping your vesting dates against your move date before you go is the key step.

For US citizens and green card holders moving to the UK. Build your free, personal move plan at **yourlandfall.com/plan**.

General information, not personal tax, financial, legal or immigration advice.

Why awards are tricky

Restricted stock units (RSUs) and options are usually earned over a **vesting period** that can run for years. If you move part-way through, part of the award was earned while you worked in the US and part while you worked in the UK.

How each country looks at it

- **The UK** generally taxes employment income from an award when it vests (RSUs) or when you exercise (most options). For people who move, it usually taxes only the share that relates to **UK workdays** during the vesting period.
- **The US** taxes you on the whole amount as a citizen or green card holder, and gives **foreign tax credits** for UK tax on the UK part.
- The **treaty** helps decide which country has the first right to tax which part, so credits go the right way.

Payroll surprises

Your employer may run UK tax and National Insurance through **UK payroll** when shares vest, and may also report the income in the US. Over- and under-withholding is common in the first couple of years. Check that the UK share calculation uses the right workday split.

Things to plan before you move

- **List every grant** with its grant date, vesting dates and type (RSU, incentive stock option, non-qualified option).
- **Check timing**: a vest shortly before you move may be US-only; one shortly after may be split.
- **Incentive stock options (ISOs)** can lose their US tax advantages if the timing goes wrong, and don't get special UK treatment.
- **Selling shares later**: any growth after vesting is a capital gain, which the UK can tax once you're resident.

What to do next

Equity awards are one of the steps where specialist advice usually saves more than it costs, especially for large or frequent vests. Build your move plan and pick "Stock options or RSUs" to see the steps in order.

See every step for your move. Answer five questions and get a free plan in the right order: yourlandfall.com/plan