

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued**Unum Group and Subsidiaries****Note 11 - Stock-Based Compensation - Continued**

an adjustment to reflect the application of the performance factor to the 2017 PSU grant, which occurred during the first quarter of 2020.

At December 31, 2020, we had approximately \$6.5 million of unrecognized compensation cost related to PSUs that will be recognized over a weighted average period of 1.6 years. The estimated compensation expense is adjusted for actual performance experience and is recognized ratably during the service period, or remaining service period, if and when it becomes probable that the performance conditions will be satisfied. Compensation cost for PSUs subject to accelerated vesting at the date of retirement eligibility is recognized over the implicit service period.

The fair value of PSUs is estimated on the date of initial grant using the Monte-Carlo simulation model. Key assumptions used to value PSUs granted during the years shown are as follows:

	Year Ended December 31		
	2020	2019	2018
Expected Volatility (based on our and our peer group historical daily stock prices)	23 %	23 %	24 %
Expected Life (equals the performance period)	3 years	3 years	3 years
Risk Free Interest Rate (based on U.S. Treasury yields at the date of grant)	0.85 %	2.53 %	2.32 %

Restricted Stock Units (RSUs)

Activity for RSUs classified as equity is as follows:

	Shares (000s)	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2019	1,044	\$ 41.06
Granted	1,262	22.71
Vested	(626)	40.11
Forfeited	(87)	28.75
Outstanding at December 31, 2020	1,593	27.57

During 2020, 2019, and 2018, we issued RSUs with a weighted average grant date fair value per share of \$22.71, \$37.07, and \$47.76, respectively. RSUs vest over a one to three-year service period, beginning at the date of grant, and the compensation cost is recognized ratably during the vesting period. Forfeitable dividend equivalents on RSUs have previously been accrued in the form of additional RSUs. Beginning with the March 1, 2020 grant, forfeitable dividends are accrued as cash. Compensation cost for RSUs subject to accelerated vesting at the date of retirement eligibility is recognized over the implicit service period.

The total fair value of shares vested during 2020, 2019, and 2018 was \$25.1 million, \$19.5 million, and \$18.1 million, respectively. At December 31, 2020, we had \$21.2 million of unrecognized compensation cost related to RSUs that will be recognized over a weighted average period of 0.9 years.

Cash-Settled RSUs

Activity for cash-settled RSUs classified as a liability is as follows:

	Shares (000s)	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2019	—	\$ —
Granted	68	22.94
Outstanding at December 31, 2020	68	22.94