2024 · WHAT ISSUES SHOULD I CONSIDER IF I LOSE MY JOB?

Bautis Financial

CASH FLOW ISSUES	YES	NO
Are you still employed but will lose your job soon? If so, consider the following: ■ Try to increase your emergency fund reserves before you lose your job. ■ If you have a Flexible Spending Account, spend the money while still employed (or while covered under COBRA) for items you may need when unemployed.	☐	☐
Are you entitled to any compensation (back pay, sick pay, vacation pay) or a severance package? If so, consider confirming the details with your HR department.	☐	☐
Were you laid off, downsized or was your position eliminated? Depending upon the terms of your termination and your state's laws, you may be eligible for unemployment benefits. Benefits are determined based on your state of residence and typically last for about 26 weeks. Note any current extensions or enhanced benefits that may be available.	☐	☐
Do you need to review your budget? If so, look for areas to reduce spending, especially your discretionary expenses.	☐	☐
Will your cash flow be tight? If so, consider the following: ■ The length of time your emergency fund will last. ■ If you have debts, contact your creditors to see if you can reduce or defer payments while you are between jobs. ■ Part-time jobs, freelancing, and consulting may provide some income while you are between jobs and might lead to a permanent career path.	☐	☐
Are you age 62 or older? If so, you may be eligible for Social Security benefits. However, you will need to review how timing affects your benefit amount and your overall retirement situation.	☐	☐

HEALTH INSURANCE ISSUES	YES	NO
Will you lose your health insurance soon? If so, consider making sure you are up-to-date on medical and dental exams and any medical procedures before your health insurance ends.	☐	☐
Will you need health insurance? If so, consider the following: ■ If you worked for a company with 20 or more employees, you may be eligible for COBRA, which will allow you to stay on your employer's health plan for 18 months, typically. You will have an election period of 60 days to decide. If you were terminated involuntarily, you may be eligible for premium subsidies. ■ If you are married and your spouse has a plan through their employer, you may be able to join that plan. ■ You may be eligible for insurance on the Health Insurance Marketplace. You have 60 days after you lose your job to enroll, according to the special enrollment period rules. ■ If you are over age 65, you may be eligible to sign up for Medicare if you haven't already. The Special Enrollment Period for Part A and B is an eight-month window, beginning the month after the earlier of the end of your employment, or the end of your employer-provided health insurance.	☐	☐

ASSET & DEBT ISSUES	YES	NO
Do you have any debts (student loans, credit card debt)? If so, consider contacting your lenders/creditors to explain the situation. They may offer a short-term hardship program.	☐	☐
Do you have a retirement account with your former employer? If so, consider the following: ■ Loan repayment can vary by the plan rules, although most loans must be paid back by the due date of your tax return for the year you leave your employer. ■ Distributions may be subject to an early withdrawal penalty of 10% if you leave the employer before turning age 55. ■ If you are a public safety worker (including private sector firefighters), you may be able to take a penalty-free distribution if you turn age 50+ (or under 50 if you have 25+ years of service with the same employer) during or after the year you separate from service. (continue on next page)	☐	☐

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ASSET & DEBT ISSUES (CONTINUED)	YES	NO
Do you have an emergency-linked savings account with your former employer? If so, consider taking a distribution or rolling over your account into a Roth IRA (or other designated Roth account) after separating from your employer, as distributions from this account are not subject to taxes or penalties.	☐	☐
Do you have a home equity loan or line of credit? If so, consider the following: ■ These may be a source to help you during a period of unemployment. They tend to have lower interest rates than credit cards. ■ If you are currently unemployed, you most likely will not qualify for a new or increased line or loan.	☐	☐
Do you have a Roth IRA? If so, the contributions can be withdrawn tax and penalty-free if you need to supplement your cash flow.		
Do you have any unvested stock options? If so, consider the following: ■ Review equity plan documents as you will likely forfeit some or all of these stock options. ■ Refer to your vesting schedule to understand what will vest next and how you can coordinate your departure with the schedule.	☐	☐
Do you have vested stock options? If so, consider the following: ■ Review post-termination exercise periods, which are usually about three months from your last day of employment (but in some cases you must exercise the options before your departure). ■ If you were terminated for cause, your vested stock options might be canceled.	☐	☐
Do you have any deferred compensation? If so, review plan documents to understand the distribution schedule and the distribution option selected, such as yearly or lump sum.	☐	☐
Did you own stock (or stock options) in a private company for which you were also employed? If so, consider the impact of the shares being illiquid and if there are any clawback or repurchase rights.	☐	☐

TAX PLANNING ISSUES	YES	NO
Do you expect this year to be a low-income year? If so, consider the following: ■ If you have the cash available to pay the resulting income tax, doing a Roth conversion in a low-income tax year could be beneficial. ■ If your income has dropped below the phaseouts, you can make contributions to Roth IRAs and/or deductible contributions to traditional IRAs. See "Can I Make A Deductible IRA Contribution?" and "Can I Contribute To My Roth IRA?" flowcharts. ■ If you have taxable investments, you may be able to sell them and pay capital gains tax at a lower rate.	☐	☐
Are you an enrollee in the Health Insurance Marketplace? If so, you may be eligible for the Premium Assistance Tax Credit. Household income and coverage restrictions apply.	☐	☐

CAREER PLANNING ISSUES	YES	NO
Are you subject to non-solicitation or non-compete agreements? If so, consider how this will impact your search for another job.	☐	☐
Does your former employer offer any outplacement services?	☐	☐
Do you need to update your contact information with your network, professional organizations, online subscriptions, etc.?	☐	☐

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