GUIDANCE THROUGH CHALLENGING TIMES

Going through a layoff can be an overwhelming, stressful experience of loss and change. Knowing what steps to take will help you prepare a game plan for this tough transitional period and allow you to start focusing on a brighter future.

TAKE A MOMENT TO REGROUP

Aside from the obvious financial anguish it can cause, the stress of losing a job can also take a heavy toll on your mood, relationships, and overall emotional health. Job loss is traumatic, and money is often a source of worry, which can lead to stress, anxiety, depression, and other mental health challenges. Focus on what you can control, stay positive and take time to process what just happened. The Mayo Clinic staff recommends several steps to manage thoughts and emotions during these challenging times:1

✔ Accept your feelings and give yourself credit for doing the best you can under the circumstances
✔ Use your energy wisely and focus on what you can control
✔ Acknowledge your grief while maintaining a healthy perspective on your self-worth
✔ Avoid being self-critical and maintain a positive mental attitude while keeping your emotions in check
✔ Mitigate stress through enjoyable activities like exercise and hobbies
✔ Take care of mental and emotional health while being mindful of eating and sleeping habits

MEET WITH HUMAN RESOURCES

It’s important to remember to complete an exit interview. The human resources department will be able to answer any questions, provide options for outplacement or job sources, and discuss unemployment benefits or severance pay.

✔ Find out when you can expect a final paycheck
✔ Discuss and understand severance pay calculations
✔ Collect performance reviews
✔ Figure out how long healthcare coverage will continue
✔ Find out what types of career resources and outplacement services your employer will provide
✔ Understand how your company pays out accrued, but unused benefits like:
  - [ ] commissions
  - [ ] bonuses
  - [ ] unused vacation
  - [ ] personal days

1 “COVID-19 Pandemic: Coping With Effects of Unemployment,” Mayo Clinic, May 2020
REEVALUATE BUDGETS AND IDENTIFY EXPENSES

Compare your current essential expenses with discretionary expenses and identify opportunities to lower overall costs.

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IDENTIFY POTENTIAL SOURCES OF INCOME

Prioritize the income sources you can tap first to replace lost income.

✔ Liquid investments with low yields
  □ Savings accounts, money market accounts, checking accounts

✔ Roth contributions
  □ Contributions can be withdrawn tax-free and penalty-free at any time

✔ Social Security
  □ Those aged 62 or older can file and collect a retirement benefit at a permanently reduced amount

✔ Home equity lines of credit
  □ An opportunity to leverage a home’s equity is available if an equity line of credit is set up before a job loss

APPLY FOR UNEMPLOYMENT INSURANCE

The U.S. Department of Labor’s unemployment insurance programs provide benefits to eligible workers who become unemployed through no fault of their own and meet certain other eligibility requirements.

✔ Contact your state’s unemployment insurance program as soon as possible to find out state specific eligibility requirements

✔ You must meet your state’s requirements for wages earned or time worked during an established timeframe referred to as a “base period”

✔ Depending on the state, claims may be filed in person, by telephone, or online
IDENTIFY AND UNDERSTAND YOUR HEALTH INSURANCE OPTIONS

Depending on your employer plan, you may keep your current health insurance benefits through the end of the month. From there you must decide the best option for your personal situation.

✔ The federal program Consolidated Omnibus Budget Reconciliation Act (COBRA) allows you to stay on an employer’s plan for up to 18 months
✔ A Health Insurance Marketplace Plan could be a cost-effective option when comparing other premiums to COBRA
✔ Accumulated funds in a Health Savings Account (HSA) belong to the participant, but Flexible Spending Accounts are lost with a separation
✔ You can use your HSA to pay health insurance premiums if you’re collecting federal or state unemployment benefits, or you have COBRA continuation coverage through a former employer
✔ It may be possible to join your spouse’s employer’s insurance plan outside of the open enrollment period

USE JOB SEARCH SUPPORT SERVICES

Although finding a new job might seem challenging, there are many different ways to find one effectively and efficiently.

✔ Update resumes and cover letters customized to specific job opportunities
  ☐ Identify companies you’re interested in working for and apply through their websites
✔ Update profiles on job search websites including:

  - LinkedIn
  - Monster
  - Indeed
  - FlexJobs
  - The Ladders
  - Glassdoor
  - CareerBuilder
  - SimplyHired
  - LinkUp
  - SnagaJob
  - Facebook Jobs
  - ZipRecruiter
  - Robert Half
  - Google for Jobs
  - The Muse
  - Dice
  - The Ladders
  - Glassdoor
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  - Dice

✔ See what career-related resources are available from your alma mater
✔ Prepare for in-person interviews and virtual interviews
  ☐ Research interview questions
  ☐ Rehearse answers to common interview questions and fine tune your “elevator pitch”
✔ Take this opportunity to reevaluate the unique combination of skills and experiences you bring to the table that would make you an asset to the organization that hires you
  ☐ Leverage your professional network and ask for references
✔ Reach out to former colleagues, fellow alumni, and friends of friends who work in your industry
REVIEW RETIREMENT PLAN OPTIONS

Losing a job is a stressful experience. Adding to the stress is the decision you’ll have to make about what to do with your retirement plan. Retirement plans are portable, which means you can take your nest egg with you when you leave a job. Resist the temptation to cash out your retirement savings. Instead, roll it over into an IRA or a new employer’s retirement savings plan, so retirement money can continue to grow tax-free.

✔ 401(k)
  - You can rollover your 401(k) balance to an IRA
  - Some plans allow you to rollover a previous 401(k) balance to a new employer’s plan
  - If separation occurred in or after the year you reached age 55, distributions are exempt from the 10% penalty

✔ IRA based plans (SEP IRA and SIMPLE IRA)
  - SIMPLE IRA: During the first two years of opening a SIMPLE IRA account, you may not transfer those assets into another retirement plan. This two-year period begins on the first day that your employer deposits a contribution to the SIMPLE account.
  - SEP IRA: You can rollover your SEP IRA account to a new or existing IRA.

SUMMARY

The unexpected loss of a job may seem more like a crisis than an opportunity, but hard work and careful planning may help avert immediate or long-term financial difficulties. Align resumes, online profiles, interviewing skills, target company lists, hiring manager contacts, and networking strategies to identify ideal positions for you.