



Changing careers and the financial preparations beforehand can be complex. The purpose of this document is to provide guidance on a number of key activities during the career transition process, organized by the six core areas of financial planning. Your JNBA Advisory Team can also be a helpful resource as you plan for the transition.

INITIAL TASKS



Planned career change:

- Will you continue working within the same industry?
- Will you need to expand your education for your new career?
- Will your income increase, decrease, or remain the same?
- Notify your JNBA Advisory Team that you are planning a career transition.

Unexpected career change:

- Reassess your current budget and spending behavior. Make a list of your expenses and categorize them into fixed and discretionary. Forego any extraneous purchases.
- Determine whether you're eligible for severance pay or unemployment benefits.
- Depending on current cash flow and emergency savings levels, talk with your creditors to negotiate a change in your interest rate or see if you can defer a payment or two until you have a job secured. If you have good credit standing, now is the time to make the calls, not when you fall behind on a payment.
- Notify your JNBA Advisory Team that you are facing a career transition.

FINANCIAL POSITION



Assess your financial situation:

- Income
- Expenses
- Assets
- Liabilities
- Insurance coverage

Gather and organize important documents:

- Life insurance policies
- Investment documents
- Tax information
- Employee benefits information

- Keep 6 to 12 months of living expenses in a liquid emergency fund to better prepare for what may lie ahead as searching for a new job can take up to a year.

RETIREMENT PLANNING



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- Determine the impact a career change might have on your retirement goals.
 - Consult with your JNBA Advisory Team to determine any liquidity needs during the transition.
 - Understand your current employer retirement plan. Your personal contributions are always 100% vested, but employer contributions may only vest after a pre-determined number of years of service, as stated in the plan document.
 - It may make sense to roll over your former employer retirement plan into a new or existing IRA account or your new employer retirement plan if available. Your JNBA Advisory Team can assist with evaluating your options.

INVESTMENT PLANNING



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- Continue making contributions to your investment accounts. If means are limited, consider deferring a contribution but be aware of how this may affect your long-term savings plan.

RISK MANAGEMENT



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- Record the beginning and end dates of your coverage from your former and new employer.
 - Check on any pending claims that may still be left on your previous coverage.
 - Transfer any required documents in advance of the deadlines.
 - Review your employer (or former employer) benefits to determine replacement of coverage for:
 - Life insurance (you/spouse/children)
 - Health insurance
 - Long-term care insurance
 - Review your health insurance coverage through your employer.
 - If you want to continue your current health insurance plan you can do so for 18 months under the Consolidated Omnibus Budget Reconciliation Act (COBRA). If you choose to do so, you would still have to pay the entire premium up to 102% of the plan.
 - If you have a Flexible Spending Account (FSA), use the remaining balance or risk losing it.
 - FSA dollars do not roll over at the end of the plan year. The funds left in the FSA are typically considered "use-it-or-lose-it" funds by the IRS.
 - Under COBRA, you can continue participating in your employer's FSA, but your contributions must be made with after-tax dollars.
 - Be mindful of any unused Health Savings Account (HSA) funds you can apply toward reimbursable medical expenses.

ESTATE PLANNING



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- Are your estate planning documents in order and up-to-date?
 - Wills
 - Durable Powers of Attorney
 - Health Care Directives
 - Trusts
 - Confirm your beneficiary designations continue to be in line with your desires.

TAX PLANNING



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- Consult with your tax professional. He or she may have thoughts on items such as estimated tax withholding, use of itemized or standard deduction, use of severance pay, or unemployment benefits.