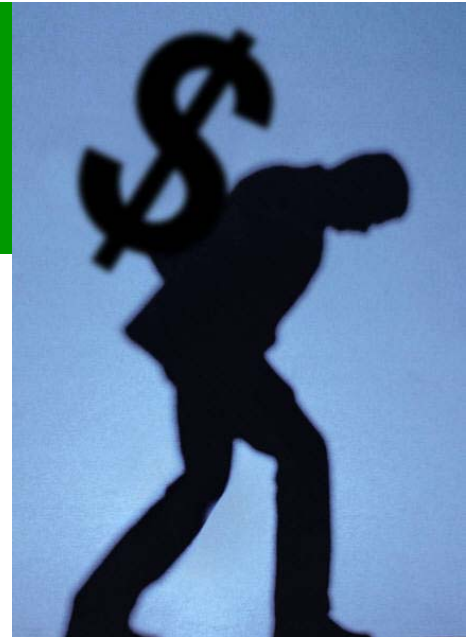


# Dealing With Losing Your Job

## How Do You Protect Your Assets? What Steps Should You Take?



### Collecting Unemployment

The first step you should take, when you have lost your job, is to register for unemployment at your local Employment Commission office. To qualify for unemployment in most states, you must have been employed during the past 12 to 18 months. The amount you will receive varies from state to state and is based on your previous wages. You must also meet the minimum earnings requirement set by the state. In most states, you will be allowed to collect for up to 6 months. During these 6 months you must be available for work, must actively search for a job, and must have proof of the job search. The Unemployment Commission will help you with your job search. They also help with job development services and claims services. When you register, they will ask you questions about your background and skills to try and find you a job referral.

### Protecting Your Assets

The best way to protect your assets is to plan ahead for job loss by having an emergency fund. You should try to set aside 3 to 6 month worth of living expenses. If you do not have an emergency fund, you must examine your current financial situation. List all of your assets including stocks, savings, cars, etc. and all of your liabilities, including your mortgage, student loans, credit card debt, etc. Then decide which assets to liquidate and which expenses to cut back on. You will definitely have to rework your entire budget to cut out the luxuries that you can no longer afford.

### Helpful Tips

- ⇒ One helpful tip may be to roll over your 401(k) out of your company plan into an IRA. You may borrow the money for a brief period of time, while it is rolling over. Be careful, you must get the money into an IRA within 60 days or you will pay tax and penalties.
- ⇒ Another tip is to keep track of all of the expenses that accrue from looking for your new job. Some examples are postage, fax services, copying, and travel expenses. Many of them are tax deductible, if you are looking for a job similar to the previous one.
- ⇒ Try to avoid using your credit cards for household expenses. The interest that will accrue will take many years to pay off.
- ⇒ Consider Credit Counseling to find ways to lower monthly payments and interest rates on existing debt.
- ⇒

## Insurance Options

- **COBRA**, the Consolidated Omnibus Reconciliation Act, will allow continued health benefits for terminated employees or those who have lost benefits because of a reduced workload. You may have to pay for the insurance, including the amount that your employer was paying, but COBRA tends to be less expensive than an individual insurance policy. Under COBRA, pre-existing conditions are not excluded. You are required to make your first premium payment within 45 days of selecting COBRA and every 30 days thereafter. The benefits will remain the same as when you were employed. Some employers are exempt from COBRA.
- **HIPAA**, Health Insurance Portability and Accountability Act, will also help with continued coverage if you had employment coverage for 18 months and you no longer qualify for COBRA. Under HIPAA, it may also be possible to make withdrawals from your IRA penalty free.



## Tips for Finding A New Job

- Search the internet. More and more, people are applying for jobs online. There are many job search websites that can help you find positions available.
- Go to job fairs. This is a great way to network and research companies. They often have applications available on-site to fill out.
- Look in newspapers and magazines. In most cases, a phone number will be posted so you can inquire about the position and set up an interview.
- Use the job finding resources at your local Employment Commission office. They are linked with many employers in the community.
- Visit a Temp Agency. Many Temp Agencies have positions available that begin temporary and turn into permanent positions.

An Educational Message from

**nova**debt

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