



Bouncing Back from Job Loss

TRIED
+ TRUE
STEPS YOU CAN TAKE

NEW STEPS YOU CAN TAKE

Better Unemployment Benefits

Most states offer 26 weeks of basic benefits. Because of high unemployment, however, Congress has approved a total of 33 additional weeks of benefits, depending on when you lose your job. And most states have accepted a temporary \$25 increase in weekly benefits under the American Recovery and Reinvestment Act of 2009.

Help Paying for Health Insurance

Employees have 60 days to elect health insurance coverage under COBRA, at a cost equal to what you and your employer paid plus a 2% administrative fee. If yours was an involuntary termination between September 1, 2008 and December 31, 2009, you're eligible to pay only 35% of COBRA premiums for up to nine months under the American Recovery and Reinvestment Act. This benefit begins for coverage periods on or after February 17, 2009 — the date the President signed the act.

*U.S. Department of Labor, Bureau of Labor Statistics, April 2009.

Even as certain parts of the economy have begun to show slight signs of recovery, unemployment — which stood at 8.9% nationally in April* — is likely to continue to be a problem for at least the remainder of 2009.

But don't despair. In the event that you lose your job there are steps you can take — some **new**, some **tried and true** — to make sure your financial situation is as secure as it can possibly be.

Protect Your 401(k) Plan

It's important to leave your 401(k) plan intact. Most employers allow you to leave balances over \$5,000 in the plan. Or you can roll the balance over into an IRA. But don't take a distribution. If you are under age 59½, not only will the distribution be fully taxable, it will also be subject to a 10% premature withdrawal penalty.

Cut Your Living Expenses

Typically, unemployment insurance won't provide as much income as your salary. So you will need to trim your living expenses. Not going to work will yield some savings, but you will need to cut back or eliminate things such as dining out, vacations, buying new clothes and other "luxuries." Remember that after food, paying off your mortgage, credit card and other liabilities should be at the top of your budget list.

Look for a New Job

Use your job loss as an opportunity. Explore alternative careers. Consider going back to school to learn a new trade or business. Experts say you should spend at least five hours a day on your job search. And don't just depend on Web sites that list job postings. Interact with family and friends, call former associates and use social networking sites to make contact with as many people as possible.