



**THRIFT FINANCIAL**  
EMPOWERING CAPITAL

**2022**



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## **Navigating Corporate Layoffs**

Steps to Maximize Your Separation



[www.thriftfinancial.com](http://www.thriftfinancial.com)

# QuickTake's

- » Remember that the financial and non-financial terms of separation are often negotiable.
- » Avoid signing separation-related documents until you retain a lawyer.
- » Evaluate the state of your family's emergency funds.
- » Document any significant upcoming payments or purchases.
- » Consider de-risking some of your retirement and non-retirement accounts. Look into Thrift Financial's risk tolerance tool, available [here](#).
- » Determine when and how you file for unemployment benefits.
- » Update or establish a financial plan with your new cash flow and anticipated expenses. Thrift Financial offers a complimentary financial planning tool, accessible [here](#).
- » Evaluate your health insurance options for yourself and your family.
- » Review your company's retirement and compensation benefits programs and understand how they will be treated upon your separation.
- » Understand the vesting date of your retirement and compensation plans.



- » Plan to repay any 401K plan loans you may have outstanding.
- » Evaluate your financial, legal, and tax knowledge, which will guide you on what professional assistance you may need.
- » Understand the cost of working with an investment professional. Consider reading Thrift Financials guide on "How to Avoid Overpaying for Financial Advice," which is accessible [here](#).

# Professionally Oriented

- » If possible, before you leave your employer, document and archive work accomplished while employed. This will help communicate your accomplishments and jump-start your movement to another firm.
- » Obtain a "lay off letter" that communicates reasons for the termination were not directly caused by your action or performance. This may be part of or separate from your separation letter.
- » If not already accomplished, connect on LinkedIn with work colleagues, clients, vendors, and prospects.
- » Ask colleagues for the names and contact information of recruiters or job opportunities that may have recently arisen.
- » Assess the value of outplacement services offered by your company. Understand if you will be taxed on this benefit and whether the service warrants the possible tax implications.
- » Adjust your LinkedIn profile to reflect your departure from your former employer.
- » Update employment and contact information with all professional associations, alumni groups, and licensing organizations.

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Before you leave your employer, document and archive work accomplished



# Financially Focused

- » Determine when and what your last paycheck will be and what deductions will be charged against your gross pay. Do you want to make any adjustments to those deductions?
- » Evaluate the state of your family's emergency funds and determine if there are reasonable ways to increase its size quickly.
- » Consider de-risking some of your retirement and non-retirement accounts. Having cash in your investment accounts to pay expenses is more important than longer-term results. You may want to assess your personal risk profile through free online applications such as Thrift Financial's risk tolerance tool, available [here](#).
- » File for unemployment benefits but recognize that your separation package could impact the availability of these benefits in some states. Carefully communicate with your state the components of your separation package. Recall that your payroll check was charged for these possible future services.
- » Document your monthly living expenses against investment inflows, separation pay, and nonretirement accounts dollar levels.
- » Take an inventory of likely upcoming large personal expenses and assess your liquidity to meet those financial events.



- » Update or establish a financial plan with your new cash flow and anticipated expenses. There are many good online tools; however, you may wish to use this complimentary application offered by Thrift Financial and accessible [here](#).
- » Plan to repay any 401K plan loans you may have outstanding. Typically, you have 30-60 days to pay those loans back to yourself before they would be considered an early distribution. The early distributions will be impacted by income taxes and penalties.
- » Review your company's retirement plan, deferred compensation plans, and any stock grants or options and how those will be treated upon your exit. Print off or email yourself a copy of these plan documents.
- » Possibly adjust your 401K contribution if you receive a lump sum payout and advance notice of termination. This is particularly important if your company matches your contribution.
- » Understand the vesting dates of your company 401K plan and any incentive compensation plan awards. Will your vesting dates be moved earlier to match your termination date? Assess with a lawyer, tax professional, and investment professional if or how you might exit those plans.

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Update or establish a financial plan



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## Understand the vesting dates

- » Print off or email a copy of your previous payroll check stub. Obtaining payroll stubs is not always immediately available post-separation.
- » Consider a Roth Conversion if your annual income significantly drops from prior years, AND you can afford to pay the taxes on those distributions. Otherwise, consider rolling over your money to a contributory IRA.
- » Evaluate your financial, legal, and tax knowledge, which will guide you on what professional assistance you may need.
- » Understand the cost of working with an investment professional. Consider reading Thrift Financial's guide on "How to Avoid Overpaying for Financial Advice," which is accessible [here](#).



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## Take advantage of any significant drop in income to possibly sell investments with sizable capital gains.

- » Update the contact information for your 401K, and other retirement plans, especially if your work email was the location statements for these programs were sent.
- » Understand the dates of future deferred compensation payouts you might be eligible to receive.
- » Take advantage of any significant drop in income to possibly sell investments with sizable capital gains. Depending on your drop in income, you might reduce your capital gains rate to zero. A significant reduction in capital gains is a sizable opportunity to diversify concentrated positions.

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## Spend your Flexible Spending account to your designated maximum

# Matters Involving Health and Life

- » Evaluate your health insurance options for yourself and your family. Can you continue using the company plan through COBRA, or will you need to move to the U.S. Healthcare program, which is typically run by each state?
- » Private health insurance coverage is available, but it is typically focused on coverage for short term periods and may be terminated by the insurance company on the renewal date.
- » Spend your Flexible Spending account to your designated maximum, regardless of what you have contributed. The programs are designed to cover employee contribution shortfalls.
- » Update the contact information for any health savings account, flexible spending account, and insurance benefits, especially if your work email is the primary location of contact.



- » Assess if your corporate life insurance can be rolled into a personal policy.
- » Review if you want to purchase term life insurance to cover any gaps in the company policy.
- » If given advance notice of your termination, consider scheduling doctor's appointments to address elective healthcare procedures before your last day of employment or before your benefits expire. Your new health coverage will have new deductibles and out-of-pocket levels.

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**Spend your Flexible Spending account to your designated maximum**

# Legally Centered

- » Understand how your termination from your current employer will be recorded on the company books and in the layoff notice. Determine if this is an accurate reflection of the factors involved.
- » Avoid signing separation-related documents until you retain a lawyer. A lawyer should review all documentation related to the separation before you verbally agree to any terms or sign documentation.
- » Remember that a separation's financial and non-financial terms are often negotiable and where a lawyer might assist to improve your exit package.
- » Document any concerns over business practices on paper with detailed descriptions, dates, times, people involved, and file locations of supporting information. The Department of Labor has anonymous whistleblower tip lines that pay substantial rewards for alerting authorities.
- » Protected class employees might request a file detailing the age, gender, functional role and tenure of impacted staff. This would include men and women based on sex; any group which shares a common race, religion, color, or national origin; people over 40; and people with physical or mental handicaps.



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**Avoid signing separation-related documents until you retain a lawyer**

# Personal Matters

- » Document used and unused vacation, personal, and ill days and provide HR with the details. Often, employees will be compensated for earned and unused vacation, personal days, and even sick days.
- » If you cannot pack up your workspace, consider taking a photo of your workspace and the items left behind.
- » If practical, document and tag personal or sentimental items of value to you located at work.
- » If allowed, send a personal note to colleagues and customers bidding farewell and offering new contact information. You may also want to invite them to connect on LinkedIn with a direct link in your email.
- » Suspend automated commuter transit program purchases for expenditures like parking, train, or bus passes.
- » If financially practical, plan a vacation before you evaluate the next steps. Once you start your new job, extended vacation time will not likely be as convenient.

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Consider taking a photo of your workspace and the items left behind





# Things to Avoid

- » Taking firm assets, intellectual property, soft or hard technology regardless of your level of involvement in its development.
  - **Solution:** Learning and implementing at your future employer is an effective technique and eliminates the possible legal action by your former employer.
- » Removing customer or prospect contact details by downloading to a thumb drive or emailing information outside the company.
  - **Solution:** Connect with these individuals on LinkedIn or bring home business cards you have collected during your employment.
- » Speaking negatively about the company to the press, online, or with former customers or prospects, especially if your separation package limits disparaging remarks.
  - **Solution:** Speaking about publicly known and evidenced facts can be powerful messages to communicate broadly.
- » Displaying irritation and anger to individuals or the company during the separation process.
  - **Solution:** Meet up with colleagues or former colleagues several weeks after the separation to discuss your assessment of the separation.



## Bio of George Antonak

After two decades in investment and wealth management, George founded Thrift Financial, working with institutions and individuals across the United States and Canada. Before founding Thrift Financial, he held senior executive roles with four multi-billion-dollar financial services organizations, overseeing individual and institution client assets and investment portfolios.

George has worked closely with individuals and families, helping build their investment portfolios through investments across public and private equities and fixed-income investments. He has extensive professional experience working with institutional clients creating investment policies, assessing asset allocation, risk analysis, investment selection, and cost analysis. In addition, George has worked closely with large and middle-market plans covering health companies, insurance, state and local government, Taft Hartley, endowments, and foundations in both their retirement and operating funds.

George received a Master's of Business Administration from Cornell's Johnson Graduate School of Management and graduated with a Bachelor of Business Administration with honors from the University of Michigan, Ross School of Business. George holds a series 65, 24, and 7 licenses and is a member of the CFA Institute and a member of the CFA Society Chicago.

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