

Job loss

Investing for your retirement

“Downsizing” is a term most people are too familiar with.

Unfortunately, losing your job today isn’t all that uncommon. It’s something most people go through. But how you approach your job loss – and your next steps – are the keys to getting your career back on track.

Why me?

You were a good employee. You worked hard. You contributed to your company. Yet, you still lost your job. Asking “why me?” doesn’t make you feel any better. From company cutbacks to restructuring or mergers, losing your job is rarely a reflection of your abilities. Sometimes things are simply out of your control.

Understandably, this can be a stressful and difficult time in your life. But while some people may view the situation as hopeless, others see it as an opportunity. How you approach it will determine how long it takes you to get back to where you want to be.

What now?

Many people describe losing a job as “a blessing in disguise.” Ask yourself what you really want to do next. Did you love your last job, and want to continue it with another company? Have you thought about going back to school for another career? How about starting your own business? If ever there was a time to make a change, the time is now.

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Beyond the cardboard box

When letting you go, most companies do more than give you the traditional “pink slip” and a cardboard box for your things. Be sure to learn all conditions of your release, and specifically, the details of your severance package, such as:

Pay, bonus or incentives

Find out if you’re entitled to any payments, including how and when you’ll be paid, and if any special conditions apply for you to qualify.

Health insurance

Ask about the availability of continuing health coverage, what your premium will be, and the family members you can cover.

Other benefits

Find out if– or how long – benefits such as tuition reimbursement, company credit unions, or life and disability insurance will continue.

Unemployment compensation

Ask if you qualify for unemployment insurance and if there are any requirements for you to begin collecting.

The job search

When searching for a job, take advantage of all the help available to you, such as outplacement services offered by your former employer. Seek advice on interview skills, finding potential employers and how to best present your work history. Some tips to keep in mind:

Make your job search your job

Looking for work is a full-time job. Get up at your regular time, get dressed for work and set goals for yourself.

Network

Interact and make contact with anyone who might lead you to work. Let people know what kind of work you want and get names of other people you can call. Follow up with new contacts every day and stay in touch.

Join professional/charity groups
With more free time, go to professional association meetings, or volunteer for a charity. Let others know you're looking for work. You never know where a new job offer may come from.

Work on interview skills
Eventually you'll be called for an interview, so practice with a friend, know what points you want to make and how you'll answer tough questions, and be prepared to ask questions.

Leverage all resources
Use all available job search options, including Internet user groups, job and company Web sites, job fairs, search firms and recruiters, local unemployment services, and of course, your friends and family.

Your next move

When faced with losing your job, be sure you know the terms of your release, as well as your options for your employer-sponsored retirement plan. Also, take advantage of all job search resources and make searching for your next opportunity a full-time job. To learn more about the best ways to approach a job loss, contact your Voya representative.

Take the money and run? An important decision to make when you lose your job is *what to do with your employer-sponsored retirement savings plan*.

You have three options:

1 Cash out of your plan

Especially during a job loss, it may be enticing to cash out your plan, however this comes with a hefty price. By cashing out now, you'll pay a 20% federal income tax, a 10% IRS penalty tax if you're under age 59½, plus additional taxes based on your income bracket. You'll also lose any future tax-deferred growth potential of the account.

2 Leave it where it is

If allowed by your plan, the easiest choice is to simply do nothing and let your money stay put – an option that lets you maintain the current benefits of your account, including tax-deferred savings. The drawbacks are that you may incur higher fees or your plan may have less appealing features that you can improve upon elsewhere.

Note that if you have less than a certain amount in your plan, your employer may automatically send you a check for your plan proceeds. You'll then have 60 days to reinvest it in a tax-deferred plan to avoid paying taxes and penalties.

3 Take it with you

You can transfer your money from your current plan directly to an IRA you set up, which will allow you to maintain tax-deferred savings. It may also allow you consolidate your assets with other IRA funds you already have, as well as access more attractive plan choices. On the flip side, you may not be able to achieve total consolidation, you'll have to fill out paperwork, and you may find higher costs and fewer investment options elsewhere.



Talk to your financial professional for exploring your available options to keep your retirement savings invested for future growth potential.

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