



Checklist of financial tasks in job transitions

When you are starting to think about a job transition

- List all company-related financial assets, liabilities and insurance.** This may include defined benefit or defined contribution plans, deferred compensation, insurance policies, loans or company stock held in a brokerage account or in a variety of vehicles: RSUs, NQSOs, ISOs, ESPP, or an ESOP.
- Copy Employee Handbook, Summary Plan Descriptions, Total Rewards Statements, etc.**
 - Important: Understand what will vest and when; how option expiry dates may change; how the timing of giving notice may impact receiving a current year bonus.
- Estimate current expenses and other income.** Assess how much flexibility you have in accepting lower compensation or enjoying a gap between jobs.
- Understand what is important to you in your next job,** including what bothers you in your current position.
- Estimate this year and next year's income taxes.** If timing is flexible: how would your tax situation change if you left now or next year? Can you influence the level of compensation paid this year or next and the amount deferred?
- Identify someone to be your sounding board during transition.**
- Raise sufficient liquidity to cover expenses during transition.**

While you are considering one or more job offers, but before you give notice

- Receive details of offer(s)** and copy of new firm's Employee Handbook, etc.
- Compare each aspect of the offer's compensation and benefits to current compensation and benefits.** Some potential differences: health care (costs and coverage of medical, dental and vision plans vary greatly), vesting of retirement benefits, travel and entertainment policies, vacation, employer contributions to retirement plans, life and disability insurance. Small benefits (daily free lunches, health club memberships) can add up to material differences. Are there restrictions or a waiting period before obtaining benefits?
- Is a move required?** Consider the impact on family and friends, taxes (if change in State residency), and amount of relocation expense reimbursement. Will you need to sell your home? Is this a good time for your kids to change schools? For your spouse or partner to move? Is the new city more or less expensive?

When you have given or received notice

- Obtain in writing from HR the details of what, when, deadlines.**
 - Don't sign separation agreements until you know you will receive all you have earned.
 - Confirm whether you will be paid for unused vacation. How long will you be on the payroll; have access to company facilities, etc.?
 - If a job elimination: qualify for unemployment? Is there a choice to receive severance as a lump sum or over time?

- ❑ **List of To Dos and noted key deadlines calendar.** Especially important are any option vesting and expiration dates, restricted stock vesting, and payment of deferred cash or stock compensation.
- ❑ **Understand how to transition your medical insurance:** COBRA, switch to spouse or partner's, Medicare or retiree benefits. Determine how to access all benefits websites from home.
- ❑ **Obtain cost basis of any company stock in taxable and tax-deferred accounts.** This will help you and your advisors decide the timing of diversifying the positions.
- ❑ **Decide on the best strategy for your 401(k) or similar plan:** Keep as is, transfer to the new employer's plan, or rollover to a Traditional or Roth IRA.
 - Do I have any after-tax contributions in the plan? If yes, how best to transfer them to a Roth. Include your advisor in a call to the former plan administrator for details.
- ❑ **Do you have a defined benefit pension plan?** If so, deadline for elections?
- ❑ **Elect whether to receive deferred compensation now or in installments.** Issues to consider are deferring taxes (generally good), retaining credit exposure to the company (since most deferred comp balances are subject to the credit risk of the firm) and considering liquidity needs (most elections are irrevocable).
- ❑ **Submit all expenses for reimbursement.**

After you have left, before you start your new job

- ❑ **Take some time between jobs.**
- ❑ **Update your financial goals and implement important financial tasks:** diversify concentrated stock exposure, adjust asset allocations, review life insurance policies, update estate plans and beneficiary designations.
- ❑ **Manage cash flow and transition from old to new benefit plans.**
 - Determine how much you can contribute this year to your new 401(k) or other retirement plans.
 - Submit all medical, dental, etc. claims on former plans. Use or transfer any FSA or HSA balances.
- ❑ **Inform former employer of your change of address** (if you have moved).

Lessons I have learned through my own transitions

Take time to fully explore the choices you have. Stay organized despite all the demands on your time and identify people to help you think through the decisions during this emotional period. Don't rush decisions; be careful of jumping at the first offer or the one with what may seem like a big bump in compensation. Don't sign any documents until you are sure you are receiving all that you have earned and wait to give notice until you have the new offer in writing. Most of all, enjoy the time between jobs with family, friends and pursuing passions – twice I started my new job the next day, which was a mistake. Feel free to reach out to me for my professional expertise or just friendly advice.

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