

Changing jobs

Changing jobs can be happy, stressful, or both. Having a strategy to deal with the changes can make things easier.

Consider:

- ☐ Assessing what to do with retirement accounts at your former employer. Generally speaking, cash withdrawals are subject to a 10% IRS penalty for those under age 59 ½. You will also owe taxes on any previously tax deferred contributions. Other options, including a combination of these options, might include:
 - ☐ Leaving the money in the 401(k) account with your former employer
 - ☐ Rolling the money into your new employer's plan, if allowed
 - ☐ Rolling the money into an IRA
- ☐ Deciding what to do with your vested retirement dollars
- ☐ Reviewing your insurance — try not to lapse insurance coverage.
 - ☐ Consider COBRA benefits for your health coverage, if needed.
 - ☐ Make sure you have adequate life and disability insurance to cover your new salary.
- ☐ Reviewing your budget and evaluating spending
- ☐ Putting extra income toward debt if your income is increasing
- ☐ Putting additional dollars from your pay increase toward your savings and retirement account contributions once any debt is paid off

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