

# 10 Things You Should Know About Surviving a Layoff

Losing a job hurts. But you can take action now to carefully manage your exit while preparing for your next opportunity.

- 1 Get it in writing** – In order to qualify for severance packages and unemployment compensation, your company must either lay you off or fire you, so you might want to resist any lingering temptation to quit ahead of a layoff. Better yet, get your HR department to provide you with your termination status in writing. Read the letter carefully for any possible errors or omissions.
- 2 Read your severance agreement carefully** – A typical agreement may include nondisclosure language, clauses that strip the company of any wrongdoing, or even provisions that would bar a worker from suing. It never hurts to try to negotiate a better deal, but be careful—in some cases, severance benefits can affect how much unemployment insurance you can collect. If the agreement doesn't include outplacement services, ask that they be included. If necessary, obtain legal advice before you sign.<sup>1</sup>
- 3 Be certain you received sufficient notice** – The Worker Adjustment and Retraining Notification (WARN) Act is a federal law that protects workers by requiring employers to give adequate notice—typically, 60 days or more if a facility employing at least 50 workers is being closed or sold.<sup>2</sup> Every state has a website that provides localized details on how to file for a suspected WARN Act violation (Google “WARN Act”).
- 4 Verify your final paycheck amount** – Find out when you'll be getting your final check—and make sure it includes everything you're owed. While there is no federal law that requires unused vacation to be paid at termination, many companies will pay accrued unused vacation days—or even sick leave, bonus, and commission payouts—as a matter of policy.<sup>3</sup> Confirm the policy with HR.
- 5 Make a plan for health insurance** – Companies with 20 or more employees generally offer COBRA<sup>4</sup> continuation coverage that covers you and your family for up to 18 months. But COBRA isn't cheap, and it may require you to pay the entire premium up to 102% of the plan costs.<sup>5</sup> If your spouse is employed, piggybacking on their policy for a while may be a less expensive option. In some cases, a reasonably priced package may be available under the Affordable Care Act.
- 6 Decide what to do about your 401(k)** – Roll it over? Stand pat? Cash out? You'll have a lot of options to consider. As with all matters of a tax or legal nature, please consult with your tax or legal counsel for advice.
- 7 Apply for unemployment insurance immediately** – Once you start receiving aid, most states will send you checks for up to 26 weeks. Some states allow you to apply (and re-apply every two weeks) online. You also may have to register with a related job-listing site to demonstrate to your state that you're making a good-faith effort to become re-employed.
- 8 Contact your creditors** – It's vital to contact your mortgage lender, auto lender, and credit-card issuers in an effort to work with them to obtain a more forgiving payment schedule for your outstanding debts. Some lenders may offer you a “hardship postponement” that allows you to stop payments until you land a new gig. If you have credit-card debt, consider asking the card issuers to lower your interest rate.
- 9 Set up a budget** – Once you've finalized the amount of your monthly unemployment benefits and debt reductions, make a plan to reduce discretionary expenses to the bone. Cut back on those nice-to-have extra items—premium cable, nightly takeout dinners, \$40-a-bottle vintage wines, etc. Your financial professional can help you set up a budget.
- 10 Update your resume and LinkedIn profile** – Let your friends and social media contacts know you're in the market for your next opportunity. A serious professional resume makeover may give you the best chance for success. Now that you're job-hunting, make sure your LinkedIn title and skills summary fields reflect what you want potential employers to know about you. By default, LinkedIn creates your headline based on your current job title and company, giving you 220 characters to describe yourself. But if you've left your title as simply “Unemployed,” your profile could undersell your skills like the examples below.

## Update Your LinkedIn Headline to Show Employers What You Can Actually Do

Don't Do This...!		Do This Instead...!	
	<b>Trevor</b> · 3rd Unemployed at Unemployed at this time Greater Philadelphia Area		<b>Trevor</b> · 3rd Human Resources Manager   10+ Years of People Experience Greater Philadelphia Area
	<b>Mark</b> · 2nd Currently unemployed at Currently Unemployed Greater Philadelphia Area		<b>Mark</b> · 2nd Digital Ads Manager   5 Years Experience Managing 7-figure ad budgets Greater Philadelphia Area
	<b>Kristen</b> · 2nd Unemployed at Looking for a Job Now Longview, Texas Area		<b>Kristen</b> · 2nd R&D Scientist at Pfizer   Oncology Research   Science Blogger Longview, Texas Area

Source: Careersidekick.com, 12 Best LinkedIn Headline Examples for Job Seekers, 11/13/23.

**For help with decision-making on household budgets, healthcare,  
or retirement plans, talk to your financial professional.**

<sup>1</sup> Investopedia, 7 Effective Ways to Prepare for a Layoff, 11/4/22.

<sup>2</sup> US Dept. of Labor, WARN Act: Worker's Guide to Advance Notice of Closings and Layoffs.

<sup>3</sup> How to Prepare for a Layoff: 14 Tips, Flexjobs.com, 2024.

<sup>4</sup> COBRA is an acronym for the Consolidated Omnibus Budget Reconciliation Act, a landmark federal law passed in 1985 that provides for continuing group health insurance coverage for some employees and their families after a job loss or other qualifying event.

<sup>5</sup> Centers for Medicare & Medicaid Services, COBRA Continuation Coverage, 9/6/23.

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