

Managing your finances during a career transition

► Six things you may want to do:

- 1. File for unemployment benefits immediately:** To qualify for unemployment insurance, your previous employer must confirm that you were laid off. Since each state has different eligibility requirements, you can visit the Department of Labor Web site (www.dol.gov) to obtain information regarding your state.
- 2. Understand your severance package:** Some companies allow you to negotiate a severance package. Make sure you get reimbursed for outstanding vacation days and expenses. See if your stock options have vested in order to sell them.
- 3. Health insurance:** When you get laid off, your health insurance may end immediately. One option is COBRA, a federal program that allows you to continue group plan coverage. In the new stimulus bill, COBRA recipients may be eligible for federal coverage of 65% of the cost. This means a family facing a \$1,000 COBRA monthly payment would only need to pay \$350. The coverage period for the federal subsidy is nine months and the eligible period for COBRA is 18 months. The recipient must meet certain requirements, including the following: The layoff must have occurred between 09/01/08 and 12/31/09; those laid off after 09/01/08 who previously refused COBRA will have another chance to accept; and in the year the benefit is received, income cannot exceed \$125,000 for a single filer or \$250,000 for a joint filer. For more information and eligibility requirements, please contact the Department of Labor at www.dol.gov.
- 4. Retirement accounts:** Consider rolling over eligible assets into a new employer's plan or into an IRA. You need to check with your previous employer regarding eligibility and retirement account options. In addition, you should take into account any potential tax consequences, as well as expenses and sales charges and/or penalties for selling or buying investments before initiating a rollover.
- 5. Reduce spending and avoid debt:** Take a look at your monthly expenses and see where you can cut costs. Contact your credit card company to see if you can reduce or defer your payments. You may have to give up such luxuries as cable TV, cell phone or entertainment.
- 6. Take inventory of your assets:** Find out exactly how much you have in stock options, mutual funds, savings accounts, checking accounts and retirement accounts. This will help you find out exactly where you stand financially.

► Three things you shouldn't do:

- 1. Withdraw from your 401(k):** Times may be tough, but resist the urge to take money out of your 401(k). You will get hit with income taxes and in some cases a 10% penalty.
- 2. Rely on a home equity line of credit (HELOC):** It will be extremely difficult to obtain a home equity loan while unemployed. But if you already have one, be careful when tapping into it. You could be without a job for a lengthy period of time.
- 3. Abuse your credit cards:** It may be tempting to purchase everything with your credit card, but that can be a mistake. Most credit card companies will raise your interest rates if you miss one payment.

NOT FDIC INSURED	May Lose Value
NOT BANK ISSUED	No Bank Guarantee

Columbia Management Financial Worksheet

Available Cash	
Checking Account	\$
Savings Account	\$
Stocks/Bonds	\$
Mutual Funds	\$
	\$
	\$
	\$
	\$
	\$
	\$
Total	\$

Money Owed	
Severance	\$
Unused Vacation	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
Total	\$

Monthly Expenses	
Mortgage/Rent	\$
Auto Loans	\$
Auto Insurance	\$
Life Insurance	\$
School Loans	\$
Gas/Automobile	\$
Groceries	\$
Childcare	\$
Commuting Costs	\$
Electric	\$
Water	\$
Gas/Home	\$
Telephone (land line and cellular)	\$
Cable	\$
Prescriptions	\$
Entertainment (movies, dining, etc.)	\$
Investments	\$
Haircuts	\$
Miscellaneous	\$
	\$
	\$
	\$
	\$
	\$
	\$
Total	\$

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