

DON'T LET A PINK SLIP PUT YOU IN THE RED

Call it laid off, terminated, downsized or dot-bombed, the result is the same—one minute you're working, and the next you're unemployed and without a regular paycheck. If you have recently joined the ranks of the jobless or fear a pink slip is in your future, your number one priority may be to find a new job, but there are several important financial matters you need to address as well. Here is some advice that can help you stay out of the red when you've received a layoff notice.

BE SAVVY ABOUT YOUR SEVERANCE PACKAGE

While the law does not mandate severance pay, many companies offer dismissed workers one- to two-weeks pay for each year of service. Consider whether you should negotiate for more severance pay or other perks, particularly if circumstances, such as your age, may make it more difficult for you to land a new job. In any case, resist the temptation to use your severance to pay off your mortgage or credit card debt. You may need the money down the road to keep you in the black.

APPLY FOR UNEMPLOYMENT BENEFITS

Each state has different eligibility requirements for qualifying for unemployment benefits. Normally, if you've lost your job through no fault of your own (such as being laid off) and you meet your state requirements for wages earned or time worked during a certain period, you can qualify for unemployment benefits. (Usually someone who is self-employed and is unable to find work cannot file for unemployment benefits.) In California, you can apply for unemployment insurance benefits at the nearest unemployment office, by phone at (800) 300-5616, or on the web at <http://www.edd.ca.gov/ui/rep/uiappind.htm>.

Information Needed for Forms

When filing your unemployment claim, you may need to provide the following background information:

1. Your name (including all names you used while working) and Social Security account number.
2. Your mailing and residence address and telephone number.
3. Your date of birth.
4. The number of years you attended school.
5. Your state issued driver's license or ID card number.
6. The last date you worked for any employer, including any employer for which you may be currently working part-time.
7. Name and complete address of the employer against whom you are filing the unemployment claim. (The state must send a notice to the employer that you are filing a claim. If the notice is returned to the state because of incorrect mailing information, the state cannot make benefit payments.)
8. Information on all employers you worked for during the 18 months prior to filing your claim, including name, period of employment, wages earned and how you were paid.
9. The name of the employer you worked for the longest within the last 18 months and the number of years you worked for that employer. This may or may not be the same as your last employer.
10. The reason you are no longer working for your last employer. You may have quit, been laid off, fired, or left work because of a trade dispute. Be specific about the reason you are not working because the information you provide must be sent to your last employer. If you quit, were fired, or left work because of a trade dispute, you will be interviewed to determine if you are eligible to receive benefits.
11. Whether you are receiving or expect to receive any payments from a former employer. Some types of payments (e.g., wages, pension payments, holiday pay, and vacation or sick pay) may be deducted from your benefits. Whether you are able to work and available to accept work.
12. Whether you have a legal right to work



in the United States. If applicable, individuals will be asked for their alien registration number.

Weekly benefit amounts range from a minimum of \$40 to a maximum of \$450. Benefits are calculated using an individual's earnings during a specific 12-month base period. The base period begins approximately 15-17 months before the date the claim is filed. The amount paid each week is calculated based on the calendar quarter with the highest earnings during the base period. To qualify for the maximum amount each week, an individual must earn at least \$10,634.01 in a calendar quarter during the base period.

A claim is effective for one year. During the year, claimants can receive from 12 to 26 weeks of full benefits. The number of weeks varies, based on total earnings during the base period. During periods of high unemployment, Congress or the state Legislature may grant additional benefits.

DON'T FORGO MEDICAL INSURANCE

Most employees are accustomed to having the company pay all or part of their health insurance and other benefits. However, once you're laid off, the cost of benefits generally becomes your personal responsibility. Medical coverage is expensive, but make no mistake, no one—especially the unemployed—can afford to be without it.

Under COBRA, a federal law that derives its name from the Consolidated Omnibus Budget Reconciliation Act, you and your family can remain covered by your company's health insurance policy for up to 18 months (or longer in some cases). You pay the tab, generally at the company's group rate plus a 2 percent administration fee. You have 60 days to elect coverage under COBRA, and within that period, you can choose to have the coverage begin retroactively.

Keep in mind that if you have dental coverage with your current employer, it is smart to take care of dental work while your employer's plan still covers it. Dental coverage under COBRA is expensive. 📌

