

Checklist: Changing jobs



Changing jobs can be as stressful as it is exhilarating. Where you work can affect everything from your health to your retirement via your benefits package. This checklist can help you keep track of some of the high-level decisions you'll likely need to make when changing jobs. In addition to reviewing what you might want to consider in this checklist, we can also meet to discuss whether any changes to your overall plan may be necessary.

Health insurance

If your (and your family's) health insurance is through your job, you'll want to ensure you're covered after your exit.

Sign up for COBRA if necessary

If you have a gap in coverage, COBRA allows you to continue your current health plan for a period.

Sign up for new insurance

Your new employer likely provides a few options for coverage.

- Check their offerings against your current coverage.

- Check whether your current providers are in network.

- Review coverage for any ongoing medications or conditions.

- Check all relevant costs, including premiums, deductibles, co-pays, co-insurance, and out-of-pocket maximums as part of your decision.

- Note how costs vary for in-network versus out-of-network providers.

Retirement accounts

First, you'll need to decide what to do with the employer-sponsored retirement account, such as a 401(k), at your current job. You have five options, each with pros and cons.

Leave your plan where it is

This is a great option if you like the investments in your current plan. There are some situations where you may not be able to leave your plan where it is, like if your previous employer was acquired.

Roll it over to your new plan

This can be a good choice if you like the investment offerings in your current plan, or if you want to keep things simple by having everything in one place.

Roll it over to an IRA

If you'd prefer not to roll your existing account into your new company's 401(k), you can roll it over into a traditional IRA. This can help you stay organized if you have multiple 401(k)s via different jobs. Additionally, IRAs tend to have a wider selection of investments to choose from.

Take a withdrawal

Cashing out a 401(k) can help with liquidity needs, but you'll need to pay income tax on the amount. If you're younger than 59½ you'll likely need to pay an early withdrawal penalty as well.

Roth conversion

Rolling a traditional 401(k) into a Roth account means paying income taxes on the amount you convert. Read more about the different considerations when doing a Roth conversion.

The plan sponsor (i.e., the employer) determines the investment selection available in a 401(k). Be sure to review the available investments, fees, and other details when evaluating a plan.

Next, you'll need to set up your new employer-sponsored retirement account.

Select investments

Your plan may opt you into certain funds as a default, but you want to make sure the investments in your employer-sponsored plan align with your overall investment strategy. We can help you with investment selection.

Automate your contributions

There are tax benefits that come with contributing as much as you're comfortably able. At a minimum, we recommend contributing enough to qualify for any employer match—that money is part of your compensation package, so be sure to claim it.

Other insurance

Many Americans get coverage through their jobs.

Check your life insurance

Many of us have term life insurance coverage via our employer. See when your existing coverage ends and look at new coverage options. How much insurance you need likely depends on your circumstances: Do you have debt, a family, and so on. We can help you assess your insurance needs.

Check your disability insurance

See what coverage you have at your current job and what your new employer offers. Remember that certain medical conditions, including pregnancy, may require you to use your disability insurance.

Equity compensation

Make sure you get the most out of your pay package.

Check your stock options

If you have had stock options at your previous jobs, check their expirations. Often, these options expire within 90 days of you leaving the company.

Check deferred contribution

You may forfeit some, or all, of your deferred contributions when you leave a job. Check to see if your new job offers deferred contribution and make any required elections.

Set up the logistics

Make sure your payroll has your current address and direct deposit information on file.

Create a tax plan

The tax implications of changing jobs can impact your financial plan. Try to focus on the marginal rate (what you actually pay) versus the headline number in your bracket.

What is your tax bracket?

If your salary changed significantly, or if you switch to a position with more incentive- or equity-driven compensation, your tax bracket may change.

Will you have non-salary income at your new job?

Incentive pay may require additional tax planning.

Figure out how your non-salary income is taxed

For instance, RSUs are taxed as income on the day they vest. Some employers withhold shares to cover this taxation. See what your company's policy is. [Read more about how equity compensation is taxed.](#)

Meet with a tax professional if needed

If you have RSUs, you might consider an 83(b) election, for example.

Adjust your withholding as needed

Most companies calculate your withholding automatically based on your Form W-4, but you can adjust the amount if you anticipate income greater than your base salary.

Review your budget

You likely spent quite a bit of time evaluating the income side of your balance sheet before taking the new job. It's equally important to think about potential updates to your spending.

Note your take home pay

Your actual paycheck may depend on what you decide regarding taxes and benefits. Note your take-home pay after you've selected your benefits package and created a tax plan.

Review expenses

New jobs often come with subtle adjustments. Will you be traveling more in your new role where you need to plan for additional childcare expenses, for example.

Take a step back to evaluate

Changes to cash flow (both income and expenses) are a great opportunity to reevaluate your overall financial plan and ensure you're on track.

Changing jobs comes with myriad financial decisions. Quorum Private Wealth is available to help you weigh the pros and cons and update your plan as needed.