

Job Loss – Employment Transition Roadmap

Review all five categories carefully. Check off the boxes as you progress and note any important details or required actions.

1. Review your Severance.

Your severance is the foundation of your financial transition plan. It's essential to know what you're getting and how to manage it wisely

Step	Task	Completed
1.1	Identify the Type of Severance Payment: Lump Sum, Salary Continuance, Deferred Payments, and whether you are given an option and the impact of each.	<input type="checkbox"/>
1.2	Review Tax Implications of Severance: Consider how taxes will reduce your total payout. Are there ways to minimize the impact?	<input type="checkbox"/>
1.3	Determine if you are eligible for Employment Insurance Benefits: For example, your severance may delay when you receive Employment Insurance (EI). Ensure to understand the impacts.	<input type="checkbox"/>
1.4	Assess Fairness of the Severance Package: Compare your package with industry standards if possible.	<input type="checkbox"/>
1.5	Seek Legal Advice if Necessary: An employment lawyer can help you understand your rights.	<input type="checkbox"/>
1.6	Employment Insurance Benefits (EI): Determine if and when you qualify for EI benefits and how much would be your expected monthly benefit	<input type="checkbox"/>
1.6	Contact a Financial Planner: For more comprehensive advice tailored to your severance and tax strategies, including tax impact analysis, and sheltering strategies.	<input type="checkbox"/>

Notes and questions to ask your Financial Planner:



2. Assess Your Finances

Budgeting is essential for understanding how long your resources will last. This step helps you break down your expenses and make informed decisions.

Step	Task		Completed
2.1	Create a Detailed Budget: Separate expenses into Necessary, Adjustable, and Discretionary categories.		<input type="checkbox"/>
2.4	Categorize Expenses: Identify non-negotiable costs (e.g., rent/mortgage, vehicle, utilities), adjustable costs (e.g., insurance premiums), and discretionary spending (e.g., dining out).		<input type="checkbox"/>
2.5	Identify Areas to Reduce Expenses: Determine what discretionary spending you could cut to stretch your budget.		<input type="checkbox"/>
	Sum Your Total Monthly Expenses: Your Necessities plus adjustable or fixed costs that could not be avoided	Total Monthly: 	
2.6	Calculate How Long Severance Will Cover Expenses: Estimate the number of months your after-tax severance can support necessary expenses.		<input type="checkbox"/>
	<i>How many months will your after-tax severance support your expenses (Green Zone)?</i>	# of Months 	
2.7	Evaluate Emergency Fund and Short-Term Savings: Determine how long your Employment Insurance, combined with your emergency fund and other short-term savings can cover essential expenses after severance.		<input type="checkbox"/>
	<i>How Many Months will your EI plus emergency fund support your expenses (Yellow Zone)?</i>	# of Months 	
2.8	Check Accessible Long-Term Savings: Review Tax-Free Savings Accounts (TFSAs) and non-registered accounts that can be accessed without penalties or tax consequences.		<input type="checkbox"/>
	<i>How Many Months will your TFSA and other savings support your expenses (Red Zone)?</i>	# of Months 	
2.9	Determine Your Financial Runway: Combine all resources to estimate how long your finances will last, in months:		<input type="checkbox"/>
	Approximate time to find a job (Green Zone + Yellow Zone)		
	Maximum Runway (Green + Yellow + Red)		
2.10	Contact a Financial Planner: For budgeting assistance and optimizing your financial strategy to maximize your runway.		<input type="checkbox"/>

Notes and questions to ask your Financial Planner:



3. Pension, Stock Options and Benefits

The decisions you make about your pension, stock options and other benefit options may have a significant impact on your future financial position. Ensure you understand what you are entitled to, your options, and all the impacts. Contact your Financial Planner for assistance.

Step	Task	Completed
3.1	Identify Your Pension Type: Defined Benefit (DB) vs. Defined Contribution (DC) vs. Group RSP and determine options available to you.	<input type="checkbox"/>
3.2	Decide on Pension Options: Leave your DB pension with your employer or transfer to a LIRA/RRSP. For DC and Group RSP plans, consider moving funds to a LIRA or RRSP for more control and options.	<input type="checkbox"/>
3.3	Review Stock Options, Restricted Share Units (RSUs), and Private Company Shares: Understand vesting status and exercise deadlines (usually 30-90 days post-termination).	<input type="checkbox"/>
3.4	Understand Tax Considerations: Exercising stock options or RSUs and selling private company shares can trigger taxes. Understand all impacts before executing a sale.	<input type="checkbox"/>
3.5	Evaluate Employee Share Purchase Plans (ESPPs): Decide whether to sell or transfer shares, considering company performance, volatility, and your financial goals.	<input type="checkbox"/>
3.6	Assess Deferred Profit-Sharing Plans (DPSPs): Transfer employer contributions to an RRSP or LIRA or take a lump sum (may have tax consequences).	<input type="checkbox"/>

Notes and questions to ask your Financial Planner:



4. Insurance Coverage

Your work-related insurance coverage will change or end. Makes sure to take time to understand it.

Step	Task	Completed
4.1	Review Insurance Benefits: Understand what happens to your health, dental, and life insurance after job loss.	<input type="checkbox"/>
4.2	Check Spousal Coverage: Ass yourself to your spouse's employer insurance plan if available, and if necessary.	<input type="checkbox"/>
4.3	Consider Private Insurance: Explore private health insurance options if spousal coverage isn't available, should you require it.	<input type="checkbox"/>
4.4	Life Insurance: Stay Protected: Consider whether converting employer-sponsored life insurance to an individual policy or purchase new coverage would be beneficial.	<input type="checkbox"/>

Notes and questions to ask your Financial Planner:



5. Other

Step	Task	Completed
5.1	Review all Other "Assistance" provided in your Severance Package: You may be entitled to additional job transition services such as resume services, job placement services as well as transition coaching.	<input type="checkbox"/>
5.2	Explore Upskilling & Training: Consider government-funded and private programs or certifications to enhance your career opportunities.	<input type="checkbox"/>
5.3	Consider Self-Employment or a Career Pivot: Starting a business or shifting to a new field might be a fresh opportunity. Consider whether this option is for you.	<input type="checkbox"/>
5.4	Network and Update Your Resume: Expand your professional connections and update your LinkedIn profile.	<input type="checkbox"/>
5.5	Monitor Your Emotional Well-being: Job loss can be stressful—ensure you take care of your mental health.	<input type="checkbox"/>

Notes and questions to ask your Financial Planner:



