

EMPLOYMENT BASICS: TABLE OF CONTENTS

INTRODUCTION

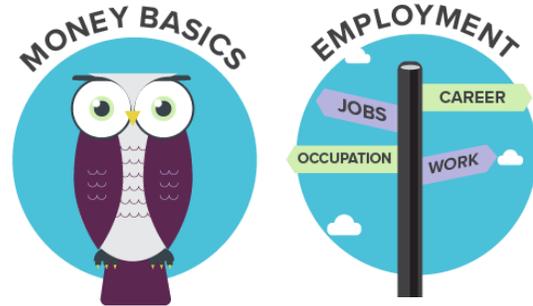
- The Costs of Working

GETTING STARTED

- Rate Your Work Satisfaction

HOW IT WORKS

- Understand the Job Life Cycle
 - Apply for Your Job
 - Interview and Complete Paperwork
 - Understand Your Pay
 - Understand Your Benefits
 - Leaving Your Job



THINGS YOU SHOULD KNOW

- Understand What Employers Value
- Protect Yourself at Your Job
 - Labor Laws
 - Health and Employment Issues
 - Workers' Compensation

MAKE A "SAM" PLAN

- Size Up Your Situation
- Analyze Your Circumstances
- Make Your Employment Plan

EMPLOYMENT RESOURCES



Why Take This Course?

Do you ever wish you knew more about personal finance? No matter where you are in your financial journey, there always is more to learn. SAM's free online courses are not intended as financial advice, but as a starting point to raise awareness, to increase skills and knowledge related to personal finance, and to guide you to helpful resources.

Research shows that financial education is most effective when it is relevant to a decision you are faced with right now. This course covers:

- Assessment of your current employment circumstances.
- Tips for finding a new job, understanding your pay, and knowing your rights when you leave an employer.
- Information on protecting your rights and resources for handling disputes.

Disclaimers

Throughout this course, any reference to a specific company, commercial product, process or service does not constitute or imply an endorsement or recommendation by State of Vermont LiveWell Vermont Wellness Program, Smart About Money (SAM) or the National Endowment for Financial Education.

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INTRODUCTION



How Much Time Do You Spend Working?

Think about a typical week — do you know how much of your life you spend working? Consider these time factors:

- Getting ready to go
- Traveling
- Working (possibly through breaks)
- Traveling home
- Checking emails or working at home in the evening
- Thinking about work

Not only does working take up a lot of your time, but unless you are self-employed, how much you make for the work you do can feel out of your control.

There are other aspects of working that you can control to help you achieve financial well-being and better enjoy the work you do.

This course will help you make purposeful employment decisions about the type of work you do, where you work, the benefits you get from working and how to put yourself into the best financial position from working.



The Costs of Working

Working provides you with income and benefits, but it also costs you money. How many of these typical indirect costs affect you?

- **Transportation** – gas, parking, bus or train fares, tolls, tires for your car, oil changes, wear and tear on your car
- **Clothing** – business attire, uniforms, dry cleaning or additional laundry costs
- **Meals** – the cost of eating away from home during the day or grabbing dinner on the way home
- **Memberships** – union dues, professional associations
- **Supplies** – tools or equipment for your job, treats for co-workers or students, publications for your own professional growth
- **Child, elder or pet care** – day care or special programs for children, adults or pets

Some of these costs will apply to any job you take, but if you change jobs, you'll need to consider the impact of the change. Will the salary make up for additional time spent away from home? Will you need new or different clothes? Consider these indirect costs before accepting a job offer.

GETTING STARTED

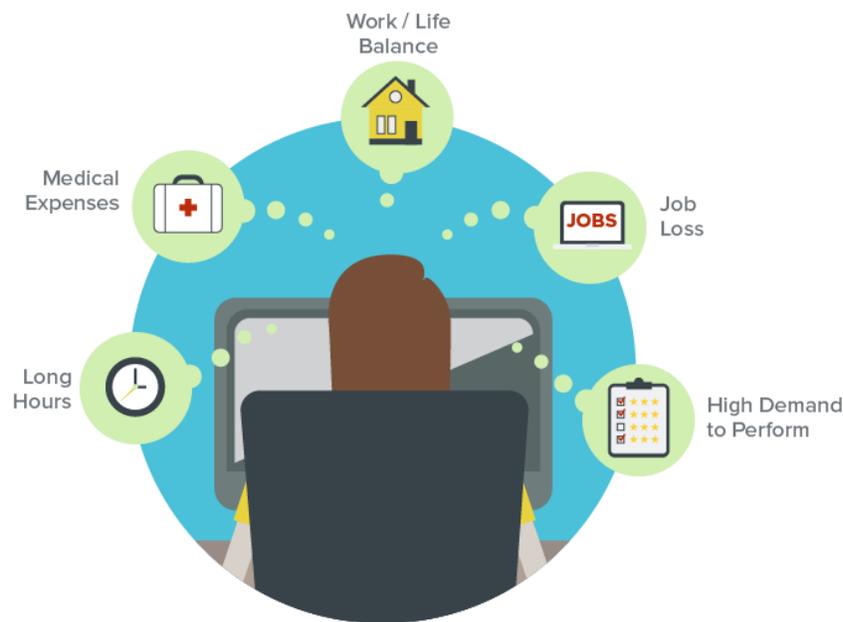
Does Your Job Meet Your Needs?

Beyond income, which job you choose can affect every area of your life, including:

- **Financial goals** – A larger salary helps you reach your financial goals faster, but more money doesn't always equal a better job.
- **Future jobs and pay** – Experiences and skills you develop with each job affect your future jobs and income.
- **Health and happiness** – Being happy with your job affects your health. According to research from the Stanford Graduate School of Business, work stress contributes to “at least 120,000 deaths each year,” as well as significant costs in health care.

Workplace Stress

A study by Stanford and Harvard Business School found that workplace stress — such as long hours, a lack of health insurance, and fear of losing one's job — contributes to at least 120,000 deaths in the U.S. each year.



- **Lifestyle** – Your lifestyle and having time for friends, family and other interests is impacted by your chosen career.
- **Money Management** – A steady paycheck helps you stick to your spending plan and increase your feeling of financial well-being.

Rate Your Work Satisfaction

How satisfied are you with your work and the benefits your job provides? A 2015 [Gallup poll](#) interviewed 485 working adults regarding 13 aspects of job satisfaction*.

Use this simplified version of the Gallup poll to see how satisfied you are. Mark “yes” if you are completely satisfied; mark “no” if you are not completely satisfied.

*Note, the Gallup poll used several rankings regarding satisfaction level. This assessment only uses two.

1. Health insurance benefits your employer offers	Yes	No
2. Amount of vacation time you receive	Yes	No
3. Retirement plan your employer offers	Yes	No
4. Amount of money you earn	Yes	No
5. Your chances for promotion	Yes	No
6. Your job security	Yes	No
7. Recognition you receive at work for your work accomplishments	Yes	No
8. Your boss or immediate supervisor	Yes	No
9. Amount of work that is required of you	Yes	No
10. Your relations with co-workers	Yes	No
11. Physical safety conditions of your workplace	Yes	No
12. Amount of on-the-job stress in your job	Yes	No
13. Flexibility of your hours	Yes	No

Review Your Job

Just as you expect your boss to give you periodic performance reviews, you need to regularly assess your job for how well it fits your needs and values. You are in charge of how your current job fits within your career path, so take control and look at it objectively.

- If you stay in your current job, what’s next for you? Is there a plan for growth? How can you use this job to prepare for your next step?
- Does your employer offer training to help you improve and grow? Is your employer interested in helping you with your career?
- If you were to leave your job, where would your current skills fit in best? What kind of job would inspire you?

HOW IT WORKS

Understand the Job Life Cycle

Your job has a life cycle of its own. You will have different needs and levels of understanding depending on where you are in the cycle.





Apply for Your Job

Not every job you accept will be one you want to stay with until you retire, and that's OK. Whether you're looking for your first job or seeking a new employer, you need to start somewhere.

Use Social Media to Find a Job

Social media sites such as LinkedIn, Twitter and Facebook offer simple ways to put your professional profile on the Web. Consider these ways to make the most of your online profile:

1. **Keep active.** Recruiters look for the number of connections you have. Become a member of an industry group and follow companies to show that you are actively engaged.
2. **Brand yourself.** Recruiters search for particular job titles, so pick the job title that best fits your skills and desired position.
3. **Use keywords, phrases and hashtags** related to your field.
4. **Remove any questionable posts, comments, pictures or tags.** You never know when a potential employer will look at your profile.
5. **Stay current on the latest social media trends** to maximize your chances of making a positive first impression through social media.

Optimize Your LinkedIn Profile

- Include a clear position title, your industry and a high-quality profile picture.
- Write a summary of 40 words or more, including keywords. Highlight the value and services you provide to those outside of your specialty.
- Add skills to get more page views. Put the most relevant skills on top.
- Publish posts to get noticed. Promote your professional image and be sure you feel comfortable discussing in an interview what you post.
- Join LinkedIn groups relevant to your field and become an active participant.
- List volunteer experience relevant to your skill set.



Tips for Applying Online

Often online applications are checked by software systems before they are seen by human eyes to weed out bad matches. To make sure your application makes the cut, follow these tips when you apply online:

- **Make sure you're qualified** for the job. No need to waste time if you don't have the minimum qualifications.
- Create **one profile per company**, even if you apply again in the future.
- **Go error-free**. Check everything before you hit submit.
- **Integrate keywords** from the job posting into your submission.

Preparing Your Cover Letter and Resume

Have a cover letter and resume ready to go before you start your job search, but be sure to customize them for each job that you're applying for. CBS [Moneywatch](#) suggests tweaking these items every time you send a resume:



- Highlight relevant achievements.
- Take out jobs that don't apply to this one.
- Align your skills to the company's core needs.
- Change your address (if you're relocating).

Need help crafting and marketing your resume? [CareerOneStop's Resume Guide](#) is a comprehensive, free online tool that will walk you through the entire process.

Tips for Applying in Person

Although it's rare to apply in person these days, there may be times when applying in person is your best option – for example, if you are applying to a retail or restaurant job. [Zippia](#) offers a glimpse at some things to do when you apply in person.

- **Prepare:** Bring your tailored resume with you, with a few key talking points, even if you only anticipate having to fill out an application.
- **Dress for the part you want:** Show that your visit is planned and purposeful.
- **Follow up:** Get the names and business cards of people you meet at the interview and follow up with a letter or email restating your key qualifications and interest in the job or position.



Protect Your Information in a Job Search

Be careful about the information you give out when posting your profile online.

- Be selective about posting your contact information. Don't give out your Social Security number, driver's license information, banking or financial information or birthdate online.
- Choose respected "middleman" sites. Posting a confidential resume on reputable job-hunting sites (such as [Monster](#) or [Indeed](#)) will not disclose your personal information and allows recruiters to contact you indirectly.
- For additional privacy, use sites that only allow employers — not other job seekers — to see your resume.

Never use an agent who charges you a finder's fee. Legitimate employers and recruiters do not employ these tactics. Additionally, check out any site offering to write a resume for you with the Better Business Bureau or look for any customer complaints online.



Network for a New Job

Building a network takes time, but personal connections often are the best sources of opportunity and advice. Not sure where to start? Try tapping into these resources:

- **Alumni networks.** Ask alumni members for informational interviews or advice about their chosen field. Focus on their experiences, not your needs. Then, after building a relationship, ask for a referral.
- **Face-to-face networking.** Networking in person builds relationships, experiences and trust. Look for active, local networking groups within your profession and attend their events.
- **Volunteer.** Volunteering shows that you're interested and engaged. You also might develop new, marketable skills along the way.
- **Friends and family.** Don't discount your friends' and family's connections. You never know when your cousin or uncle might meet someone in your field who could help you get started. Let friends and family know what type of work you are looking for and ask them to pass along any leads.

Interview and Complete the Paperwork

Regardless of the type of job, there is some common information that you will need to provide to most potential employers.



Common Information on Job Applications

[Jobsearch](#) gives guidance and practice for filling out a typical job application. Some common information you likely will need to provide includes:

- **Personal contact information** (name, address, phone number, email address, work eligibility)
- **Education** (schools attended, major, degrees or certificates earned, graduation date)
- **Position information** (specific position you are applying for, days/hours available to work, date you can start work)
- **Employment information** (names, addresses, phone numbers of previous employers, names of previous supervisors, dates of employment, reasons for leaving)
- **References of at least three people.** Ask potential references before you give out their contact information. Once you get their permission, you will need your references' professional names, job titles, work addresses and work phone numbers.

What Can Employers Ask?

In an interview, the employer is trying to find out as much as possible about you in a short time to see if you are a good fit. But there are some things an employer simply cannot ask. It's tricky because a prospective employer can (and can't) ask for several types of information depending on the state where you live. This table outlines some common "can ask" and "can't ask" types of questions.

(Probably) Can Ask in an Interview	(Probably) Can't Ask in an Interview
<ul style="list-style-type: none"> • Have you ever been convicted of a felony? 	<ul style="list-style-type: none"> • Have you ever been arrested? • Any questions about age, race, gender or sexual orientation, nationality, ethnicity and religion.
<ul style="list-style-type: none"> • How much are you currently making? 	<ul style="list-style-type: none"> • Are you married? Does your spouse work?
<ul style="list-style-type: none"> • Can I run a credit check? 	<ul style="list-style-type: none"> • Do you have children? Are you pregnant or do you plan to have children?
<ul style="list-style-type: none"> • Have you served in the U.S. armed forces? 	<ul style="list-style-type: none"> • Have you served in the military of other countries?
	<ul style="list-style-type: none"> • Have you collected workers' compensation in the past?

As a rule of thumb, if the question doesn't seem to apply to your requirements for the job, you probably are not required to answer it. If you're uncomfortable or unsure, you can tell the interviewer that you would rather not answer or will get back to them later.



What Should You Ask a Potential Employer?

Of course, you will want to answer the interviewer's questions about your qualifications, but you also want to appear interested in the job and the potential employer. Use these guidelines for asking questions of the interviewer:

- What can you tell me about the company's culture and values? How do you think my qualifications will fit in?
- What kind of mentoring exists in the company? Would I qualify to have a mentor if I were hired?
- Will I be part of a team for collaborative work? How will my work be assessed within that team?
- What would be the most important thing I can contribute in a short time frame? What would you see me doing within six months or a year?
- Is there anything about my qualifications that concerns you about my ability to succeed in this job?

Assessing Job Offers

When assessing job offers, it is helpful to list the pros and cons of each job. Fill out a Job Comparison Worksheet for each job you are considering. In the column on the left, list positive aspects about the job; in the column on the right, list negative aspects of the job.

Compare your lists among several jobs and compare them to your career plan to make an informed decision before you take a job or make a career change.

If you find yourself in the fortunate position of deciding between two or more job offers, don't forget to compare benefits packages. It could mean the difference between having an OK job and scoring a dream job.

Company Name:	
Position:	Salary or wages:
Pros for this job	Cons for this job



Understand Your Pay

The primary benefit of working is earning an income, but your earnings can include many different monetary and nonmonetary sources.

Distinguish Different Forms of Pay

When you look at a job offer or think about a career, compare the type of pay that is common for that job or industry. There are several income influencers:

- **Wages** – Fixed payments on an hourly, daily or weekly basis. Keep in mind that [minimum wages vary by state](#).
- **Salary** – This kind of pay usually is paid monthly or biweekly. Salary usually is expressed as an annual gross figure (before taxes and other deductions).

- To convert an annual salary amount to an hourly rate based on full-time employment:

Divide the annual gross salary by 2,080 hours (40 hours per week X 52 weeks)

For example: \$30,000 per year / 2,080 hours = approx. \$14.42 per hour

- **Commission** – Sales jobs often offer commission pay, which means that you make more when you sell more or generate profits for the company. Sometimes you will be offered a base salary with commission or you might be paid a straight commission, which means that you are not guaranteed any salary other than a commission on sales.
- **Overtime pay** – If your job qualifies for overtime pay, the Fair Labor Standards Act (FLSA) requires that you be paid “time and one-half” of your regular pay for each additional hour worked over 40 hours. You can find out more about overtime eligibility at the [U.S. Department of Labor website](#).
- **Tips** – Tips are common in the food and hospitality industries. Be aware that workers earning tips often are paid less than the [federal minimum wage](#) or the [minimum wage applicable in your state](#), and that it often is your responsibility as the employee to claim tips on your individual income taxes.
- **Bonuses** – Many companies pay bonuses to their employees when the company or particular divisions in the company meet financial performance goals. Bonuses can be a percentage of annual salary or a set amount.

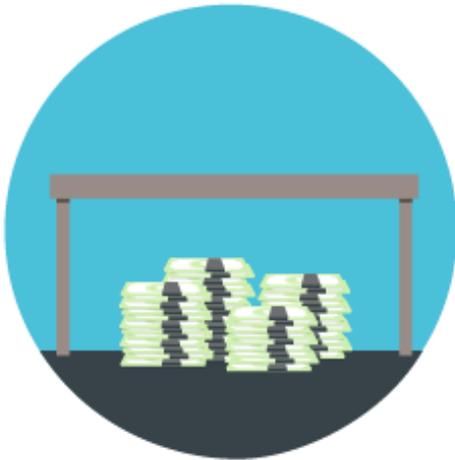
Gross Pay vs. Net Pay

It is important to understand the difference between your gross pay and net pay.

When an employer tells you what a job pays (whether it is expressed as \$30,000 per year or \$14 per hour), the amount he or she tells you is the **gross pay** — the total amount before taxes and benefits are taken out.

Your **net (take-home) pay** is the amount you will take home after deductions for payroll taxes and other items such as health insurance.

In addition, you may have other voluntary contributions to employer-sponsored retirement plans and savings plans that offset your **taxable income** before or after taxes.



Cash or “Under the Table” Pay

When you fill out a W-4, your employer will give you a paycheck with taxes withheld. However, you may run into a situation where an employer does not fill out tax paperwork and wants to pay you in cash.

However tempting it may be, this is illegal. Talk to your employer about why you need to be paid legally, with a W-4. It benefits you to be paid legally because if you are not paid legally:

- You won’t be contributing to Social Security, and therefore you won’t be able to collect Social Security benefits when you retire.
- You won’t qualify for unemployment benefits if you are fired.
- You won’t be able to collect benefits with your state if you ever become disabled or injured on the job.
- You won’t be building a legitimate employment history.

Note: Some jobs include tips as part of your compensation. In these situations, it is up to you and your employer to accurately report your tip earnings as part of your overall pay. Tip payments are legal, but be sure that you are reporting all earnings to the Internal Revenue Service.



Understand Your Taxes

Overall, the amount of federal and state taxes you pay through your paycheck depends on several conditions:

- Current income tax rates
- Your gross income
- Your filing status (single, married filing jointly or separately, head of household)
- The number of dependents and allowances you claim on your W-4 form
- Work benefit programs that lower or defer taxes

Payroll Taxes

Your pay stub will show all the deductions your employer takes out of your paycheck, including these taxes:

Deduction	What It Is	How Much It Is
Federal Income Tax	The amount paid to the U.S. Treasury to support federal government programs and services.	Marginal tax rates on the last dollar of income earned rate currently range from 10 percent to 39.6 percent of your taxable income, depending on your level of earning and filing status.
State Income Tax	The amount paid to your state government for state-funded programs and services.	Forty-three states currently collect a state income tax, ranging from 3.22 percent to 13.3 percent. Each state determines its own tax bracket.
Federal Insurance Contributions Act (FICA)	The amount paid to the Social Security Trust Fund for Social Security and Medicare programs.	The Social Security rate is 6.2 percent of the first \$118,500 wages paid to you. Medicare is 1.45 percent of the first \$200,000 paid to you and 2.35 percent on amounts over \$200,000. Your employer pays a matching amount on your behalf.
Local Income Tax	The amount paid to your city or county for the privilege of working in that location.	<u>Seventeen states</u> currently have jurisdictions that collect a local income tax. The rate varies as a percentage of your taxable income.



Get the W-4 Form Right

The Employee's Withholding Allowance Certificate (W-4) tells your employer how much federal income tax to deduct from your paycheck.

To learn how to fill out a W-4, check out the IRS's [W-4 simulator](#).

The key to filling out the W-4 correctly is to calculate how much you need to pay to the IRS so that you don't end up owing a large lump sum in taxes.

But you also might not want to have too much deducted (resulting in a refund) as this gives the government a "free" loan of your money. In addition, if you are a victim of tax refund identity theft, a lot of your money will be held up until your case is

resolved. Ideally, the amount your employer withholds will match the amount you owe the federal government when you file your taxes.

The IRS offers [sample forms](#) and an [IRS withholding calculator](#) to help you. If something changes significantly in your life — such as having a child, getting married or divorced, or changing jobs — you will need to fill out a new W-4.

Claiming Allowances on the W-4



When it comes to paying taxes, some people don't like giving the government a "free loan" of their money, so they claim more allowances on their W-4 in order to have less tax taken out of their paychecks. Other people like getting a tax refund each year, so they claim fewer (or even zero) allowances on their W-4 in order to have more tax taken out of each paycheck and to receive a higher refund.

How you claim allowances on your W-4 will affect your taxes in different ways:

- **Claim all the legal allowances you're allowed.** The goal here is to have all the money you possibly can in your take-home pay. Your take-home pay will be greater throughout the year, allowing you to invest or put the extra money in a savings account where it can accrue interest. Remember, this strategy means you're less likely to get a tax refund.
- **Claim fewer allowances than you're permitted.** The goal with this strategy is to have more taxes withheld and end up with a refund due to you at tax time. The downside is you will have missed out on any interest or other earnings that money could have generated had you invested it yourself rather than "giving" it to the government to hold until tax time.



If you are self-employed, be aware that you are responsible for paying taxes throughout the year via quarterly estimated payments. Estimated taxes are due April 15, June 15, September 15 and January 15 of the following calendar year. After your first year of estimated payments, you generally will receive a "coupon book" from the IRS and a state/city tax agency with payment vouchers and mailing envelopes.



Dependents, Exemptions, Deductions and Tax Credits

The amount of taxes you pay depends on many variables including your marital status, how many children you have and whether or not you own a home, among other things. Check out the [IRS tax tutorial site](#) for more detailed descriptions:

- **Dependents:** A qualifying child or qualifying relative, other than the taxpayer or spouse, who entitles the taxpayer to claim a dependency exemption.
- **Exemptions:** Amount that taxpayers can claim for themselves, their spouses and eligible dependents. There are two types of exemptions — personal and dependency. Each exemption reduces the income subject to tax.

While each is worth the same amount, different rules apply to each.

- **Tax credits** (child credit, child/dependent care credit, education credit, earned income credit): A dollar-for-dollar reduction in the tax. Can be deducted directly from taxes owed.
- **Tax deductions:** An amount (often a personal or business expense) that reduces income subject to tax.



The income tax savings from a tax deduction depends on your marginal tax bracket. For example, in the 15 percent tax bracket, a \$1,000 tax deduction will lower your tax liability by \$150 (15% of \$1,000). The other \$850 spent on a tax-deductible item (e.g., a donation to a charity) would be paid out-of-pocket. A \$1,000 tax credit would lower your tax bill by \$1,000 regardless of your marginal tax bracket.



Verify Payment Amounts and Deductions

You should verify on a regular basis that the amount you are being paid and your deductions are correct. Check your pay stub whenever:

1. You start a new job and receive your first paycheck
2. Your pay changes
3. You receive a bonus
4. You make a change to your benefits (e.g., adding or removing a spouse on medical insurance, changing contributions to 401(k) retirement plan, etc.).
5. Your income reaches the Social Security tax threshold (currently at \$118,500)
6. You leave a job and receive your final paycheck
7. You make a change to your W-4 form

If anything appears incorrect, work with your supervisor or human resources department to correct errors immediately.



Understand Your Benefits

Employee benefits are key to understanding your total compensation from your job. Benefits can increase the value of your salary by 20 percent or more. Before you accept a job offer or make a job change, carefully compare your benefits and the costs of working that specific job.

Some benefits are fully paid by the employer, while others require you to pay all or part of the cost. Either way, employee-sponsored benefits generally are cheaper than trying to get benefits on your own.

Common types of benefits include:

- **Health insurance.** Employer-subsidized plans, where your employer pays at least some of your premium every month, are ideal. You still have to pay part of the premium along with copays and deductibles, but your portion of the burden will be lightened by your employer's contribution. Get to know how much your employer is contributing — not all employers cover the same amount. And brush up on your health care vocabulary. You can browse the [Department of Labor's Glossary of Health Coverage and Medical Terms](#) to better understand your coverage.
- **Dental insurance.** Dental insurance often works in the same way as health insurance, with your employer picking up part of your premiums. You will be responsible for copays and deductibles, and you often must receive your dental care from a provider within your plan's network in order for your policy to apply.
- **Pensions.** Pensions are a retirement plan option where you contribute a certain amount of your income from every paycheck. After you have contributed long enough to be vested (meaning that you've worked at your employer long enough to earn the right to employer-provided contributions to your retirement savings plan), and depending on your salary and years of service, you will be paid a certain amount each month in retirement. You can learn more about pension basics at this [CNN Money site](#).
- **401(k) and 403(b) plans.** 401(k) and 403(b) plans are tax-deferred plans generally offered through an employer. They allow you to invest with pretax dollars, meaning that your paycheck gets taxed after your contributions to these plans have come out. This leaves you with more take-home pay than if you invested in a Roth Individual Retirement Account (IRA), where all contributions are made after taxes have been taken out. When you start withdrawing money from your 401(k) or 403(b) plan, typically after age 59 1/2, you will pay taxes on those withdrawals. Many employers will match your contributions up to a certain amount, giving you free money toward retirement.



Know the Difference Between Pretax and After-Tax Benefits

Any deduction from your gross pay is considered a pretax deduction. These deductions ultimately give you a higher net (take-home) pay.

Employer-sponsored pretax benefits are called cafeteria plans or IRS Section 125 plans. Examples include:

- Accident and health (medical, dental and vision) benefits
- Adoption assistance
- Dependent care assistance
- Group-term life insurance
- Health savings accounts
- Qualified 401(k) and individual retirement accounts (IRAs)

After-tax benefits will not lower your tax liability; they are deducted after taxes have been withheld. After-tax benefits include health insurance that does not qualify as pretax, Roth 401(k) and Roth IRA investments.



Employer-Sponsored Retirement Plans

Retirement plan offerings vary widely depending on the employer. Ask your employer's human resources department to answer any questions you have about how the retirement plan works.

Types of Plans

- **401(k) plans** – A traditional 401(k) lets you contribute pretax funds that are invested by your employer in an investment portfolio of stocks, bonds and/or mutual funds. Your contributions and earnings on 401(k) contributions are not taxed when you put them into the 401(k), but you do pay taxes when these funds are withdrawn.
- **Roth 401(k) plans** are funded with after-tax dollars (money that has already been taxed). Therefore, you won't have to pay taxes when you make withdrawals if withdrawals are made after age 59 ½ from accounts that have been open at least five years.
- **403(b) plans** – Similar to 401(k) plans, 403(b) plans are an option for public school employees, some clergy and certain nonprofit employees. This plan allows a tax deferral on the amount you contribute to the plan.
- **Employee Stock Ownership Plan (ESOP)** – Your employer contributes stock to the plan for your benefit, usually at no cost to you. Taxes are paid when your allocated shares are sold.
- **Pension plan** – Your company contributes to the plan on your behalf. When you retire, you receive the payout in regular payments or in a lump sum according to a formula based on income and years of service. These payments are taxable and are treated as income when you start collecting them (after you've reached retirement age).
- **Thrift Savings Plan (TSP) and 457 plans** – The TSP covers federal government workers and service members and 457 plans cover state and local government workers. Contributions by you (and your agency, if applicable) are pretax. If your plan offers a Roth IRA option, your contributions would be after-tax.

Matching Contributions

Some employers match a portion of your contributions to 401(k), 403(b) or similar investments up to a certain level. Try to contribute up to the maximum that the employer will match because this essentially is free money. For example, if your employer will match up to 6 percent, then you should plan to contribute at least 6 percent to get the full benefit of the matching contribution.

Check Your Knowledge

The difference between the employer-sponsored retirement plans.

403(b)	Available to public school employees, some clergy and certain nonprofit employees.
Employee Stock Ownership Plan (ESOP)	Employer contributes stock to the plan for the benefit of the employee.
Pension plan	A retirement plan where the company contributes to the plan on your behalf and you receive payments during retirement.
Traditional 401(k) plan	A plan in which your contributions and earnings are not taxed until they are withdrawn.
Roth 401(k) plan	Contributions are made with after-tax earnings, but any income earned on the contributions are tax-free.



Recognize Perks Beyond Your Paycheck

Many benefits packages include other perks that can save you time and money, such as:

- **Transportation passes.** Monthly bus or rail passes paid for by your employer or sold to you at a discount reduces the cost of your commute.
 - **Flexible scheduling.** The opportunity to work from home or telecommute cuts down on transportation costs. Flextime, the option to begin your workday earlier or later than the standard, can help you balance work and personal commitments.
 - **Gym memberships.** A group discount or an employer-sponsored membership can save you money, and if the office has a workout facility, you'll save time going to and from the gym too.
- **Tuition reimbursement.** To keep quality employees up to date on relevant skills, some companies will pay tuition for approved educational expenses.
 - **Training or professional development.** Employers can help you develop professional skills and may pay for you to attend classes, workshops or conferences in skill areas that enhance or improve your work.
 - **Food.** Whether it's a dinner out on the company's dime or a weekly lunch for the office, getting a free meal is a cost savings.
 - **Casual dress code.** You may be able to wear jeans and casual shirts either on specific days or as the usual dress code. This perk could save you from having to upgrade your wardrobe and can add a little comfort to your workday.
 - **Dog-friendly offices.** In some companies, well-trained dogs can accompany their owners to work, cutting out the cost of a dog walker or doggie day care.
 - **Company discounts.** Discounts on company products or partner programs can save you money on a variety of items, from clothes to food, depending on your industry.
 - **Office personalization.** If you're able to customize your workspace decor, you'll feel more at home. And when you work in a space you enjoy, you might be more productive.
 - **Child Care Center.** A worksite child care center can provide convenience and peace of mind that your children will be well cared for.

What if You Need to Leave Your Job?

There comes a time when, either by choice or not, you will leave your job. You should take as much care and preparation into leaving your position as you put into taking it.



more accurately describes your reason for leaving.

Paperwork for Leaving Your Job

During your transition out of a job, you likely will have to complete an exit interview and fill out exit paperwork. Common documents include:

- **Equipment return.** You might need to sign documentation that you returned items such as laptops, cellphones and any other company property you used to perform your job.
- **Exit interview questionnaire.** This often will include questions regarding your experience in the company's work environment. If you are being fired or laid off, you are not obligated to complete this questionnaire.
- **Confirmation of cause for termination.** Some employers will want you to sign a form saying you agree with the reasoning behind your termination. If you disagree, you do not have to sign. You either can refuse or calmly suggest different wording that you feel

In addition to the exit interview, your human resources department should provide you with the following paperwork:

- **Consolidated Omnibus Budget Reconciliation Act (COBRA) health benefits.** The employer's human resources department must provide the paperwork if you are eligible for COBRA health benefits (which extends your health insurance for a time after you leave a job, provided that you pay the full cost of coverage). [You can find information about COBRA eligibility at the U. S. Department of Labor website.](#)
- **Retirement benefits.** Your human resources department also is responsible for providing paperwork about options for continuing your employer retirement savings account or transferring the balance to another employer's retirement plan (or a private investment fund such as an IRA).
- **Human Resource Information System (HRIS) access.** If your company uses software to manage human resources activities (especially those related to pay), you might need continued access to the company's HRIS program. Some companies will allow you to continue using the same username and password while limiting your access, but other companies might provide you with separate login information once you leave the job.



I Just Got Fired, Now What?

Losing your job is traumatic, but it is best to stay cool and collected. While you don't have to sign anything that would compromise your rights, you should remain polite throughout the process. Here's why:

- You likely have some negotiating left to do with your severance package.
 - Your former employer will submit paperwork for your unemployment benefits (if applicable).
 - If you are constructive and open to suggestions for improvement, you might delay or even prevent a job loss.
- Depending on the reason for your departure, you may have an opportunity to work for the same company again in the future.
 - You may work with the same people again at a different company further down the line.



If you feel that you have been wrongfully fired due to discrimination, you must file a complaint with the U.S. Equal Employment Opportunity Commission within 180 days. Note that there is a different procedure for federal employees.



How Severance Works

Severance is a compensation package for terminated employees. The amount of severance a company offers will vary by position and employee. For example, a chief executive may get millions in severance pay, while someone holding a lower-level position may get a month or two in pay, or nothing at all.

If you are 40 or older and you are offered a severance package, you are allowed 21 days to look it over. Because you are at a time in your life when it can be harder to find work, you might use this grace period to hire a lawyer to review the options.

An initial consultation with a lawyer will cost you some money, but it could help you get significantly more during severance negotiations. In some cases, you might be able to include legal fees in your new severance package.

You might consider hiring a lawyer to help negotiate your severance package if:

- You feel the reason for termination was not substantiated.
- You feel the severance package is inadequate for the value you provided to the company.
- You believe your employer violated labor laws.
- You are asked to sign a separation agreement that bars you from suing the company. This is your opportunity to negotiate. You could negotiate extension of health insurance or other benefits, or ask for more money. Even if you don't intend to sue, you may want to get a lawyer to help you with this step.



If you are 40 or older, your right to work and receive equal treatment is covered under the Age Discrimination in Employment Act.



Unemployment Insurance

When you become unemployed through no fault of your own, you should apply for unemployment benefits as soon as possible. While employment qualifications and benefits vary from state to state, here is the general process:

1. You fill out either a paper or online application through your state unemployment insurance program.
2. The state unemployment insurance program requests paperwork from your employer.
3. Once the paperwork is supplied, the unemployment program either approves or denies your application.
4. If you are denied, you will be provided with instructions on how to appeal, should you wish to do so.
5. If you are approved, you will start receiving checks for your stated benefit amount by the date specified by your state unemployment insurance program. The amount of your benefit check will be calculated differently depending on your state.
6. You will have to prove that you are looking, or are available, for work according to your state's standards in order to stay eligible and continue receiving checks.

If you need extra guidance going through the unemployment process, you can explore [CareerOneStop's Unemployment hub](#).

THINGS YOU SHOULD KNOW

Understand What Employers Value

If you decide that you need different skills to get a new job, consider less expensive certification and training programs as well as traditional degrees.

In general, the higher your level of education, the higher your expected annual median wage. However, professions such as nursing, which require technical degrees, are predicted to grow faster than jobs requiring traditional bachelor's degrees.

Interestingly, those with an associate's degree can expect slightly higher growth than those with a bachelor's degree (however the median annual salary for someone with an associate's degree is significantly lower).

Level of Education	Projected Job Growth by 2024	Median annual wage as of 2014
High School Diploma	3.9%	\$35,540
Associate's degree	8.7%	\$49,470
Postsecondary nondegree (such as nursing assistant, paramedic or stylist)	11.5%	\$34,880
Bachelor's degree	8.2%	\$69,260
Master's degree	13.8%	\$65,330
Doctoral or professional degree	12.2%	\$98,940

- **Education and training.** Research the appropriate education and training for the position you want using resources such as the [Bureau of Labor and Statistics \(BLS\) website](#), which estimates growth possibilities through 2024 for various careers.
- **Hard skills.** A college degree may get you in the door, but keeping on top of new technology and other skills relevant to your field is most valuable to employers, according to a [CNN Money](#) report.
- **Soft skills.** Soft skills such as communication, collaboration, teamwork, creative thinking and problem solving are among some of the most desired qualities in recent graduates.



Workers' Compensation

Workers' compensation allows you to file a claim for an injury or fatality that happened in the workplace.

- Federal employees fall under the Federal Employee Compensation Act (FECA), and can research regulations via the [U.S. Department of Labor](#).
- If you work for a private company or for a state or municipal government, check with your state workers' compensation board for procedures and available benefits.

Keep in mind that there are deadlines for filing workers' compensation claims:

- You must report the incident that caused the injury within the time frame allocated by FECA or your state workers' compensation board.
- You must report the injury, along with medical documentation proving it was caused at work, by the second deadline set by your state or federal law, whichever applies to your employment position.

MAKE A "SAM" PLAN



Use the SAM action steps to analyze your current employment situation and take purposeful steps toward identifying or making changes.

Size up your situation

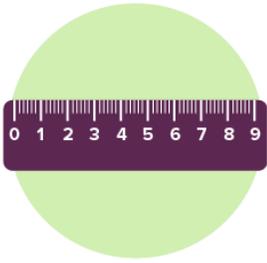
Honestly assess your level of satisfaction, whether you earn enough money to achieve your goals and the benefits you receive from your current working situation.

Analyze your circumstances

Do you enjoy the work you do? Is there another job that would better suit your personal values, lifestyle or financial circumstances? Can you make beneficial changes in your current working situation or your skills?

Make a plan

Set intentional goals to improve your work situation. These goals might include professional development, skills training or updating your resume to begin looking for a new job.



Size Up Your Situation

The first step toward making any adjustment in your life is to size up your current situation. This will help you focus on those items you know you need to change first, and the ones you can live with for a while. You can use this table to help you.

	No change needed	Change within 12 months	Change within 3 years	Change within 5 years
My current income needed to meet my regular, financial obligations.				
My current income left for spending, recreation and vacations.				
My current income left for savings and retirement.				
My level of confidence (or stress) in meeting my financial obligations.				
My satisfaction with my current employment situation.				
My degree of job security in my current workplace.				
My satisfaction with my workplace location and environment.				
My satisfaction with my workplace conditions.				
My satisfaction with the benefits my employer offers.				
My level of confidence that my work is valued by my employer.				
My level of confidence that my work skills are valued outside of my current employment situation.				
My level of confidence that I am taking full advantage of the benefits my employer offers.				
My level of confidence that I am withholding the right amount and claiming the right number of allowances on my W-4.				



Analyze Your Circumstances

Now that you have some idea of items you might want to change, focus first on those you want to change within one year.

Changing Your Income

Address money concerns by analyzing your income used for a month.

Locate your most recent monthly bank and credit card statements (or if your past month was unusual, use a statement that best typifies your regular monthly finances).

Printed hard copies can be helpful for this exercise. If you do not receive paper statements, often you can download copies from your bank or credit union's website.

1. Look at all of the big expenses and even small purchases for snacks and beverages.
2. Separate these expenses into two categories. Identify the items that are regular, expected expenses in one list. Add the other nonessential purchases to another list.
3. Tally the amounts in each list to calculate a total for your regular expenses for the month and the total amount that you choose to spend on other things.
4. Consider how a job change might affect your ability to meet your monthly obligations (the regular expenses you must pay every month). How much money do you need to make each month? Could you possibly take a job that pays less than your current job? Do you need to make significantly more than you currently make to feel financially stable?



Changing Your Skills or Profession

What skills do you have and what skills will you need to keep yourself relevant? The answer does not necessarily mean returning to school for an advanced degree. You can use the [Occupational Outlook Handbook](#) from the Bureau of Labor Statistics to identify skills and training for many careers. [CareerOneStop](#) from the U.S. Department of Labor also offers information about skills, degree requirements and salary.

There are many options for continuing your education. Research acceptance requirements and the full cost of attending school (including missed work time) before committing to any educational program:

- **Internship, apprenticeship or volunteering.** Internships usually are unpaid, but they can help you evaluate an industry and begin working right away. Apprenticeships often combine training with classroom instruction.
- **U.S. military.** The military offers highly specialized training for a multitude of jobs, with benefits for college tuition, insurance and retirement.
- **Two-year college.** Community and junior colleges typically offer associate's degrees and specialized certifications that can be earned by taking night classes and online courses, allowing you to continue working while in school.
- **Four-year college or university.** These institutions offer the widest selection of degrees; however they also come with the biggest price tag and time commitment. Just to apply to a four-year program takes a lot of time and money. Many institutions require you to take entrance exams such as the Graduate Record Examination (GRE) in addition to writing admissions essays, gathering reference letters and paying a fee to apply. And even then, you are not guaranteed admission.



Changing Your Benefits and Perks

Employee benefits can increase the value of your salary by 20 percent to 50 percent. Even if you think you can earn more with another employer, you may find that the benefits and associated costs are greater. Conduct a careful analysis of your benefits (monetary and otherwise) before you change jobs. Use this worksheet to help you.



Make a Plan

Look back at the list you made of things you want to change about your employment situation. Have you considered every aspect? What else might be important to help you secure your financial and personal well-being at work?

When it's time to make an adjustment to your employment situation, you can use the DECIDE steps to set your goals and identify criteria for meeting your financial goals. Regardless of how you choose to tackle your employment and income goals, the most important thing is that you continue to set realistic goals and to check in with your progress regularly.



DECIDE Steps

- 1** DEFINE the problem.
- 2** ESTABLISH your criteria.
- 3** CHOOSE a few options that match your criteria.
- 4** IDENTIFY and compare the pros and cons of each option.
- 5** DECIDE the most logical option for your situation.
- 6** EVALUATE the results and make adjustments for next time.

		<i>Example</i>
Define the Problem	To help identify what you want to achieve, ask yourself: <ul style="list-style-type: none"> • What is the problem I am trying to solve? • What would my life look like if this issue was resolved? 	<i>"I'm always living paycheck to paycheck. If I had more money left each month, I could save for a new car."</i>
Establish Your Criteria	State what you want to achieve, anything you want to keep the same as it currently exists, and what you wish to avoid when making this change.	<i>"I want to earn more and save, but my kids need me home in the evening so I don't want to find another part-time job."</i>
Choose Options	Make a list of options that could help you achieve your goal. Be sure to consider the impact that option might have on your financial well-being, personal values and lifestyle.	<ul style="list-style-type: none"> • <i>"I could get a new job paying more money."</i> • <i>"I could volunteer for overtime at my current job."</i> • <i>"I could ask for a raise."</i> • <i>"I could cut out my weekly movie and stop buying lunches out to reduce my spending."</i>
Identify Pros and Cons	Go through the options to see which ones would meet your criteria. Your values will help you determine which option might be best. For the options you have listed, identify the pros and cons of each. Be specific.	<ul style="list-style-type: none"> • <i>"I need more skills to get a better job."</i> • <i>"I don't want to miss time with my kids working overtime."</i> • <i>"I'd like to prove myself a bit more before asking for a raise."</i> • <i>"Money feels so tight already and it would be hard to give up my few splurges."</i>
Decide	Decide on the option you want to pursue.	<i>"I think the best option for me is to reduce my expenses while I gain more skills and start networking in my industry."</i>
Evaluate	Once you implement a solution, evaluate the outcome.	<i>"At the end of the month, I will see how much I saved by skipping my weekly movie and bringing lunch every day. If it feels too hard, then I will adjust the plan."</i>

Employment Resources



Are you in an employment crisis? Or maybe you're just looking to go deeper into this topic? There are many free and low-cost resources available to help you. Here are a few:

2-1-1

Just as you would call 9-1-1 in an emergency, you can call 2-1-1 (www.211.org) from anywhere in North America using your phone or computer to speak to a specialist in your community who can help you find a variety of free services including:

- Disaster and emergency help
- Housing and food assistance
- Employment and education opportunities
- Help starting a business
- Help for special groups such as veterans and victims of domestic abuse

Online Job Search Resources

Long gone are the days of poring over "Help Wanted" ads in the newspaper. The U.S. Department of Labor and other agencies have websites to help you focus your job choices.

- [AmericanJobCenter](#) connects you to a variety of online sources for finding a job and helps you identify training programs or necessary skills for certain careers.
- [CareerOneStop](#) helps you identify careers matching your skill set, research industries and statistics in your field and find training. It also connects you with state, federal and private sector job banks.
- [MySkillsMyFuture](#) gives you a way to bridge your current skills to a new career and helps you look for jobs in a particular region.
- [O*NET Online](#) lets you explore careers, assess necessary education or training, and analyze the outlooks for many different jobs.
- [USAJobs](#) lets you post your resume and find out about federal government jobs available in the U.S. and abroad.

Labor Laws

On occasion, you need to understand labor laws. Here are a few sites to bookmark in case you need to look up employer practices.

- [Wages and the Fair Labor Standards Act](#): Information about laws that affect minimum-wage workers
- [Occupational Safety and Health Act \(OSHA\)](#): Information on workplace health and safety standards
- [Employee Retirement Income Security Act \(ERISA\)](#): Minimum standards for retirement and health benefit plans offered in private (not government) jobs
- [Labor-Management Reporting and Disclosure Act](#): Rights associated with union membership and how unions must interact with their members

- [Family Medical Leave Act \(FMLA\)](#): Rules for allowing unpaid leave up to 12 weeks in the case of a personal or family medical emergency
- [American with Disabilities Act \(ADA\)](#): Laws, regulations and standards associated with permanent or temporary disabilities in the workplace

Help with Employment Issues

Needing help with an employment issue? Try these sites for information.

- Problems with health or safety in the workplace: [Occupational Safety & Health Administration \(OSHA\)](#)
- Problems with employee benefits: [Employee Benefits Security Administration](#)
- Problems with your union: [Office of Labor-Management Standards \(OLMS\)](#)
- Problems related to the Family Medical Leave Act (FMLA): [Wage and Hour Division \(WHD\)](#)
- Discrimination in the workplace: [Equal Employment Opportunity Commission](#)

Social Security Administration

Look up your projected Social Security earnings and research how to start taking Social Security benefits at www.ssa.gov.

American Job Center

Find job search tools and services at [CareerOneStop](#).

Bureau of Labor Statistics

Visit the BLS's [Occupational Outlook Handbook](#) for information on fastest-growing careers and job sectors.

O*Net Online Career Resource Center

Access the career and job database at www.OneTCenter.org.

College Board

Research post-secondary options and career search tools at www.CollegeBoard.org.

Small Business Administration

Find resources for starting your own business at www.sba.gov.