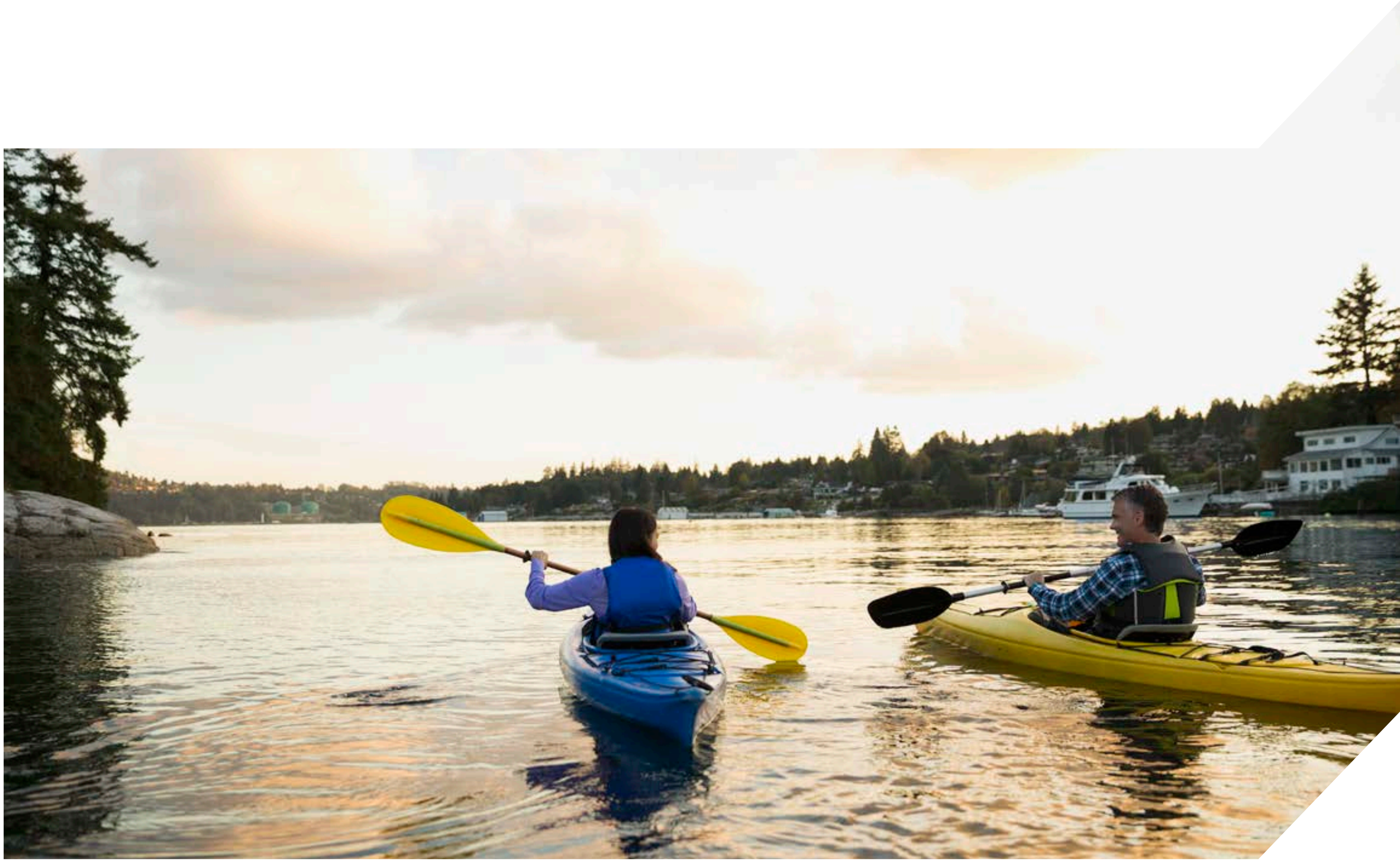


Navigating your job transition

Ameriprise Financial can help.

If you've changed jobs several times over the years, you're not alone. More than half of American workers have been with their current employer for less than five years.[1] Whatever your reason for changing jobs, it can be an exciting and stressful time.

From understanding your financial situation to deciding what to do with your retirement savings, an Ameriprise financial advisor can help you navigate the issues you may face after leaving a job – and help you stay on track after you land a new job.

During your transition

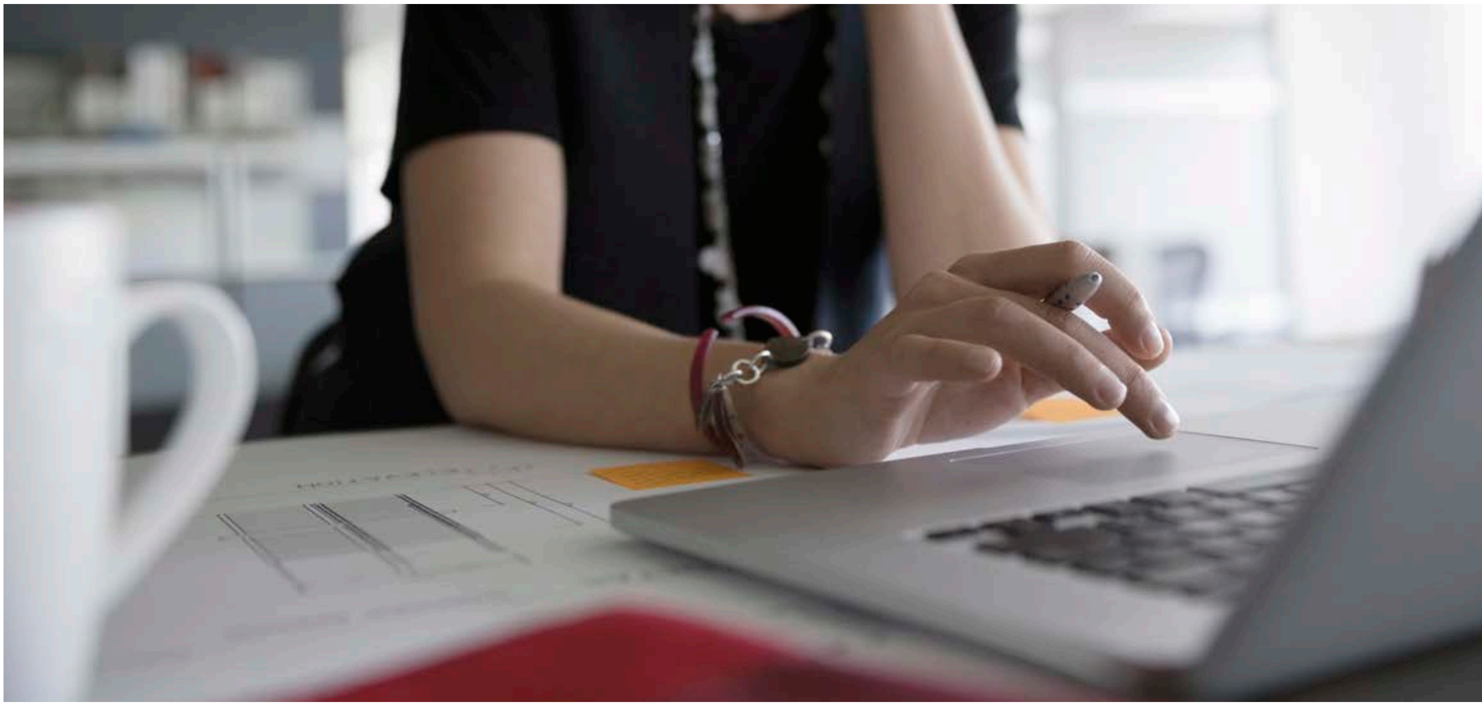
Take control of your finances

The first thing you can do to help yourself is assess your current financial situation. What are your expenses? How will you cover expenses until you have a new job? How much debt do you have?

Once you understand your financial position, put together a core budget. Be sure to use a realistic timeframe. The average length of unemployment in the U.S. is about 6 months,[2] so plan on six to 12 months to find a new job. Here are a few other things to keep in mind as you build your plan:

- **Income:** If you received a severance package, determine how long those funds will last. Consider other potential sources of income, such as a spouse or partner's income, unemployment benefits, part-time or consulting work, savings, or liquid investments in taxable accounts. Your retirement accounts should be your last-resort source of funding while unemployed.
- **Expenses:** Take a look at your expenses and determine necessities and luxuries. Essential expenses include groceries, mortgage or rent, car payment and related expenses, and insurance (health care, home, life and auto). Expenses that you may want to consider eliminating include cable, gym memberships, and multiple phone contracts. Be sure to account for all spending on hobbies, entertainment, shopping and dining in your analysis.

The sooner you can reduce your expenses, the longer your money will last as you search for a new job. Your Ameriprise financial advisor may be able to help you create a budget and a plan for sticking to it.



Manage your debt between jobs

Debt: it's easy to get into, difficult to get out of. In 2021, Americans carried an average of $155,622 in debt – including a $6,006 of revolving credit card debt.[3] It's important to get a clear picture of your debt load, and then make a plan to manage – or even reduce – your debt while you search for a new job.

- First, determine how much you owe. Consider all debts outside of a mortgage, such as credit cards, auto loans, student loans, and personal loans. How much do you pay on your debt each month?
- Call your creditors; ask about temporarily suspending or reducing payments on credit cards and student loans while you're unemployed[4].
- Put away the credit cards. Accumulating more debt while you're between jobs is never a good idea. A better way is to use cash only.
- Don't avoid making payments. Managing debt while you're unemployed may require a bit of sacrifice. Putting $20 toward a credit card balance instead of a meal at a restaurant will pay you back in the end.
- Build a cash reserve. Put a little money in a savings or cash account, and earn interest instead of paying it. Even small amounts each month can add up quickly. Your cash reserve is your safety net when emergencies arise.

Ask an Ameriprise financial advisor about Total View – our online tool that allows you to add and view all of your financial information in one secure online portal.

Know your health insurance options

It's vitally important to keep health insurance coverage while between jobs. Should a major medical event happen and you are without coverage, you could be responsible for thousands of dollars in medical bills – further exacerbating a precarious financial position. Fortunately, you have options for maintaining health insurance coverage while you're between jobs. A few of those options are outlined in the chart below:

	COBRA	PPACA (Affordable Care Act)	Medicaid/CHIP
Type	Temporary continuation of coverage under a group health plan.	Affordable coverage through state-based or federal online marketplaces.	Joint federal and state programs that help with medical costs for some people with limited income and resources.
Eligibility	Individual (and eligible dependent(s)) enrolled in employer's group health plan while working.	All individuals who are U.S. citizens, reside in the United States, and are not incarcerated.	National minimum eligibility level is 133% of the federal poverty line for nearly all Americans under age 65. Further eligibility criteria vary by state.
Availability	Available to employees upon the occurrence of a qualifying event such as termination of employment (for any reason other than gross misconduct).	Available to individuals or families who do not have health insurance through a job, Medicare, Medicaid, the Children's Health Insurance Program (CHIP), or other qualifying sources.	May be available to low-income people, families and children, pregnant women, the elderly, and people with disabilities.
Election/ Enrollment Period	At least 60 days. Failure to elect coverage during this time revokes eligibility for coverage.	Annual open enrollment period ends Jan. 31 of year of coverage. Special enrollment period is available for qualifying life events, including loss of coverage.	No limited enrollment period for either Medicaid or CHIP. Coverage can begin immediately, any time of year.
Duration	Up to 18 months, or up to 29 months if the individual or a covered dependent is disabled at the time COBRA is elected, or becomes disabled within 60 days after COBRA coverage begins.	Unlimited as long as premiums are paid.	Unlimited as long as eligibility requirements are met.
Cost	Full premium at former employer's group rate, often with a 2% administration fee. Payment generally due within 45 days of electing coverage.	Dependent upon expected income during year of coverage. Tax credits may be available for households with income above 100% and below 400% of the federal poverty line.	Varies by state. Most copayments, coinsurance, deductibles, and other similar charges are typically limited to nominal amounts.
More information	DOL.gov/COBRA	HealthCare.gov	Medicaid.gov

More and more employers are choosing not to cover spouses or partners who qualify for coverage with their own employers. However, after a life change event such as a job loss, your spouse or partner's employer may allow you to participate in its plan as a dependent.

Handle your retirement accounts with care

When you leave a job, you often have several options when deciding what to do with the money you have accumulated in your employer-sponsored retirement plan. You can:

- Leave it in your former employer's plan;
- Transfer it to your new employer's plan; or
- Roll it into an individual retirement account (IRA).

Each of these options has benefits that you should carefully consider. Refer to the chart below* for a few things to keep in mind, and talk to your Ameriprise financial advisor about which option may be right for you.

There can be significant tax impacts associated with premature withdrawals from tax-advantaged retirement accounts. That's one reason these accounts should be your last-resort source of funding while between jobs, after all other options have been exhausted.

Discuss these issues with your Ameriprise financial advisor as well as your tax and legal advisors; understanding the pros and cons of each of these options is critical so that you can make an informed decision about which option may be right for you.

	***Ameriprise*® IRA**	**Employer-sponsored plan**
Investment options & fees	You may have access to investment options that may not be available in an employer-sponsored plan, including products that may allow you to lock in your existing gains.	Many employer-sponsored plans have access to institutional pricing, which is often lower than the investment expenses inside an IRA. If you are happy with the investment options offered under your old or new employer's retirement plan, an IRA rollover may not be the best choice for you.
Services & creditor protection	Your financial advisor will generally be able to provide you with broader services and is able to integrate your IRA with a financial plan to help you identify and track progress against your goals for retirement.	Creditor protection: Assets in ERISA qualified plans are protected from creditors under federal law. Assets rolled to an IRA are protected under federal law in the event of bankruptcy but other creditor protection depends on state law.
Flexibility & NUA	You gain more control over your retirement assets; for example, you don't have to worry about withdrawal restrictions or blackout periods.	If you have highly appreciated employer stock or hope to in the future, taking an in-kind distribution from an employer plan may allow you to take advantage of a special tax treatment called Net Unrealized Appreciation or "NUA".
Taxes & penalties	Health insurance premiums for the unemployed, post-secondary education expenses and first-time home purchases are exceptions to the 10% premature distribution penalty for distributions you take prior to 59 ½.You control the amount of tax withholding on your IRA distribution (withdrawal). An employer qualified plan has a mandatory 20% withholding requirement on most distributions.	If you terminate employment in the year you turn age 55 or older, your distributions will not be subject to the 10% penalty tax on premature withdrawals. This exception is not available in IRAs. Note: 457 plans never have a 10% premature distribution penalty and for certain public safety workers in governmental plans, the penalty is waived if separation occurred in the year you turned 50 or older.
Beneficiaries & RMDs	Your beneficiaries can move assets to an inherited IRA and take distributions within 10 years. Only "eligible designated beneficiaries" can take distributions over their own lifetimes. Employer plans may limit distribution options, especially for nonspouse beneficiaries.	If you work past age 72, you can delay Required Minimum Distributions until you retire (as long as you are not a 5% or greater owner of the business).

* This chart represents a few key features of each plan type, and is not comprehensive. For a complete overview of your rollover options, ask your advisor to review the *Leave It or Roll It?®* guide with you.

A job transition can present many financial choices and options. An Ameriprise financial advisor can help you make the decisions that are right for you and help position you to meet your future career and retirement goals.

When you land a new job

What to look for in the benefits package

A paycheck represents only part of your compensation; you will likely have access to a suite of workplace benefits. The value of workplace benefits for the average American worker is estimated to be around 30–35%[5] of their total compensation, so it is important to take advantage of them. Your Ameriprise financial advisor can help you get the most out of your workplace benefits, such as:

- **Disability income insurance:** The ability to earn an income is your single largest asset. Protecting this asset is critical, and that's what makes disability income (DI) insurance so important. Group DI coverage as part of a benefits package is usually available at a reasonable cost.
- **Health insurance:** More than 80 percent of Americans who have health care insurance obtain coverage through their employers.[6] Many workers rely on their company to help subsidize the costs of health care and this is what makes health insurance such a valuable benefit. Employer-provided plans offer group health care coverage in different forms, so make sure you understand all your options before choosing.
- **Health Savings Accounts:** An HSA is a portable, tax-exempt health savings account. It's a tax-advantaged way to save for out-of-pocket medical expenses. To contribute to an HSA, an individual must be covered by a high deductible health plan, which may or may not be right for everyone.
- **Workplace retirement plan:** Workplace retirement plans like 401(k)s allow individuals to contribute a significant amount of money that can grow over time on a tax-deferred basis. One of the biggest advantages of a 401(k) plan is that your employer may match at least a portion of your contributions – which means dollars for retirement you otherwise wouldn't have.
- **Life insurance:** Many employers offer group life insurance coverage, either for no cost or for a limited cost. Such coverage is a good start, but supplementing group coverage with a personal policy may be appropriate.

Contact an Ameriprise financial advisor today.

Your action plan checklist

Now that you know the issues you may encounter during your job transition, use this handy checklist to keep track of your progress.

Before you leave your old job

- ☐ Review your current benefits to make sure you understand the following:
  - Which benefits need to be replaced, such as health, disability, or life insurance — and when they will cease.
  - How you will replace those benefits in order to avoid gaps in coverage.
  - Which benefits can be kept or transferred, such as a workplace savings plan.
  - What compensation you are entitled to (if any), such as back pay, vacation days, sick pay, or future distributions.
  - How much time you have to exercise any vested stock options.
- ☐ Save all documents relating to your separation from your former employer.

Take control of your finances

- ☐ List all monthly income and expenses to see where you stand.
- ☐ Document your assets and liabilities.
- ☐ Reassess your long-term financial plan.
- ☐ Create a core budget.

Manage your debt

- ☐ Determine how much you owe.
- ☐ Call your creditors.
- ☐ Make your payments.
- ☐ Set up a cash reserve.

Know your health insurance options

- ☐ Understand coverage and eligibility requirements for health insurance.
- ☐ Consider the federal Health Insurance Marketplace, COBRA continuation coverage, private medical insurance or enrolling in your spouse's plan.
- ☐ Know disability insurance needs and eligibility for individual coverage, if applicable.

Handle your retirement accounts with care

- ☐ Know and document where all of your retirement accounts are (talk to your Ameriprise financial advisor about how Total View can help).
- ☐ Discuss the pros and cons of account consolidation, IRA rollovers and IRA transfers, based on your current situation with your Ameriprise financial advisor.

When you land a new job

- ☐ Review your new employer's benefits package and decide what works best for you. Then consider:
- ☐ Enrolling in your new workplace savings plan as soon as possible, take full advantage of any employer match, and, if possible, increase your contribution to the maximum allowed.
- ☐ Choosing the health insurance coverage option that best meets your health care needs and enroll.
- ☐ Reviewing life and disability insurance coverage to ensure that you have adequate protection.
- ☐ Reviewing the beneficiary designations on your insurance policies and retirement accounts.
- ☐ Estimating your federal and state income tax liabilities. A change in salary may put you in a new tax bracket, requiring you to update your W-4 withholding amounts, estimated tax payments, and investment strategies.

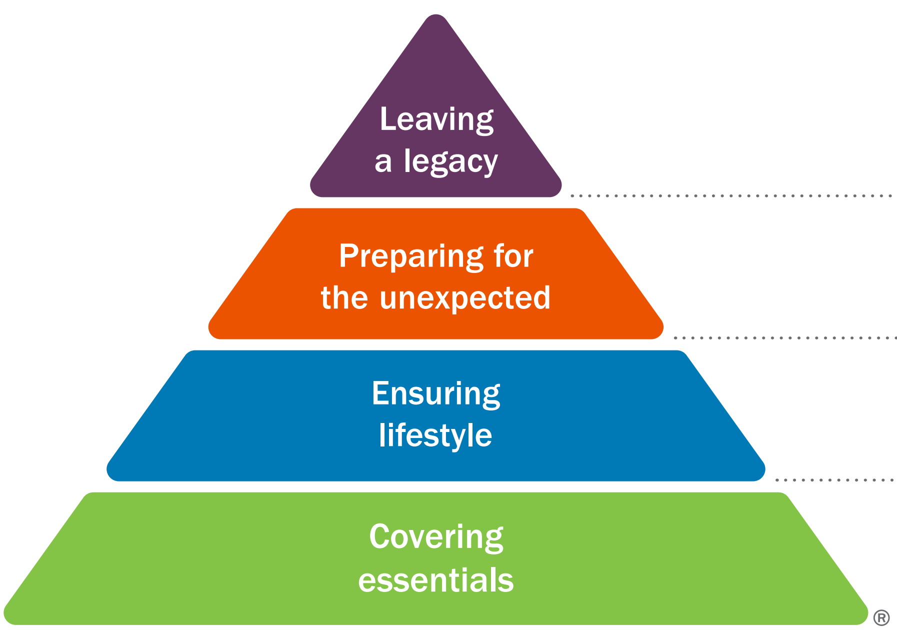
Don’t go it alone: the Ameriprise Financial *Confident Retirement*® approach

Working toward financial confidence doesn’t stop once you’ve landed a new job. In fact, it’s a great time to talk with your Ameriprise financial advisor about how the *Confident Retirement* approach can help you make smart decisions today so you can feel confident about your tomorrow.

The *Confident Retirement* approach addresses four key needs that help people balance both current and future financial goals. It is a holistic approach that simplifies a comprehensive financial planning process into actionable steps to cover essentials, ensure lifestyle, prepare for the unexpected and leave a legacy. This exclusive approach can help individuals build confidence about the financial choices they make today and, when the time comes to retire, begin to tap the savings they’ve accumulated to meet income needs and retire with confidence.

Action steps that can help balance today and tomorrow include:

- Leveraging workplace benefits and making smart decisions today to build savings for the future
- Tapping into the power of time and sound investing strategies to build wealth for tomorrow
- Protecting one’s lifestyle and goals by managing cash reserves and utilizing insurance to avoid dipping into savings or being forced to sell investments to cover an emergency
- Planning and taking action to make an impact on people and causes we care about



Legacy is about the impact you’ll make on the people, charities and causes that are important to you.

The unexpected are events that could derail your plans.

Lifestyle is about the things you want to do, and how you want to live, today and in the future.

Essentials are the necessities — the monthly expenses that keep your life running.

About Ameriprise

A tradition of commitment since 1894. A legacy of putting clients first.

For more than 125 years, Ameriprise has been committed to putting our clients' needs first. Our advisors develop ongoing one-to-one relationships and take time to understand what's truly important to clients and their families.

We offer a comprehensive approach to financial planning that helps our clients feel confident, connected and in control of their financial life.

Financial Advice | Retirement | Investments | Insurance | Banking

Ameriprise Financial
370 Ameriprise Financial Center, Minneapolis, MN 55474
ameriprise.com

---

[1] Employee tenure in 2020, U.S. Bureau of Labor Statistics (September 2020).

[2] Average weeks unemployed, U.S. Bureau of Labor Statistics (as of December 2021).

[3] 2021 American Household Credit Card Debt survey. NerdWallet (as of September 2021).

[4] Source: https://studentaid.ed.gov/sa/repay-loans/deferment-forbearance (accessed July 25, 2019)

[5] U.S. Bureau of Labor Statistics, Employer Costs for Employee Compensation, March 2018.

[6] Source: Health Reform Monitoring Survey, March 2016.

These materials are intended to be educational in nature and do not establish a fiduciary relationship. Further, the information contained in this document should not be construed as an investment opinion or recommendation by Ameriprise Financial Services, Inc., to buy or sell securities.

The *Confident Retirement* approach is not a guarantee of future financial results.

Ameriprise Financial, Inc. and its affiliates do not offer tax or legal advice. Consumers should consult with their tax advisor or attorney regarding their specific situation.

Be sure you understand the potential benefits and risks of an IRA rollover before implementing. As with any decision that has tax implications, you should consult with your tax advisor prior to implementing an IRA rollover.

Investment products are not insured by the FDIC, NCUA or any federal agency, are not deposits or obligations of, or guaranteed by any financial institution, and involve investment risks including possible loss of principal and fluctuation in value.

Investment advisory products and services are made available through Ameriprise Financial Services, LLC, a registered investment adviser.

Ameriprise Financial Services, LLC Member FINRA and SIPC.

113027 J (02/22)