

Top 10 To-Do's After You're Laid Off

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"I just called you in here to let you know that -- you're 'getting it.'" That's how a trusted co-worker once kindly gave me the heads-up that I was on the lay-off list. However eloquently or not your pink slip was delivered, don't panic. Get your coffee and read this:

1. Unemployment Benefits. If you don't have another gig lined up, it's wise to file for unemployment. You can go to CareerOneStop.org to find the link to your state's unemployment benefits site. Also, make sure you're up to date on the American Recovery and Reinvestment Act of 2009 signed into law on Feb. 19, a.k.a. the stimulus package. According to, "Unemployment Insurance in the American Recovery and Reinvestment Act (HR1)," published by The Urban Institute, added employment benefits from the stimulus package include:

- An extra \$25 of income each week.
- No federal income tax on first \$2400 of unemployment insurance income.
- A possibility for extension of unemployment benefits to 33 weeks, rather than the standard 26-week limit.

Some states offer additional coverage and extensions depending on the circumstances. Sandra Shore, senior counselor at Novadebt, offers this advice, "File for unemployment insurance even if someone else [such as an employer or friend] thinks you may not qualify."

2. COBRA Insurance Coverage. The stimulus package also enables greatly reduced fees for continuing health insurance coverage under COBRA. "The employee only has to pay 35 percent [of the total COBRA premium]," says Joshua Zuckerberg, partner at Pryor Cashman LLP Attorneys at Law of New York, New York. This 65 percent savings lasts for nine months, with continuing COBRA benefits available for another nine months at full-price.

3. 401(k). "Workers should avoid taking money out of a 401(k) plan, as they could lose a large portion of it to taxes and penalties and the amount they withdraw will be added to their income," and possibly push them into a higher tax bracket, advises Leila Narvid, a labor and employment attorney at Payne & Fears LLP of San Francisco. Also, be sure to check into your 401(k) investment portfolio to see if you need to make any changes to reduce fees or improve returns for the long-term. If you request it from your 401(k) provider, you may be able to get an advisor to help you make smarter investment decisions at no extra cost.

4. Mortgage & Debt. Make every effort to protect your credit. Be sure to let all of your lenders know your new status and ask for temporary payment reductions before you get behind. If you need help on your mortgage, find out if you qualify for refinancing under the new Homeowner Affordability and Stability Act.

5. Budget. Nonprofits, such as AICCA or NFCC certified credit counseling agencies, can help you with your household budget. Shore advises checking into state resources if you do an assessment and think you might not be able to make ends meet. Help with health insurance premiums, utilities, food and other necessities may be available for some.

6. One-Stop Career Centers. Most states have free career centers with many ways to help you job hunt, including networking opportunities, job leads, resume writing tips, retraining and more. Job search support groups sponsored by various nonprofit organizations are another great way to network and stay informed.

7. Retraining. "Many community colleges are offering unemployed workers free or heavily discounted tuition," says Narvid. Check in with your local colleges to see what they offer. If you lost your job because the position moved to another country, you may qualify for retraining benefits through Trade Adjustment Assistance, a federal program through the Department of Labor.

8. Your Final Check. You may be one of the many who didn't get a severance check, but instead got a "Thank you very much." Either way, check the math on your final paystub to make sure all your vacation hours, severance or other expected items are properly accounted for.

9. Get Your BLuRB Together. BLuRB stands for business cards, LinkedIn, resume, and blog site. Get some business cards printed up to help you network. Go to LinkedIn to set up a career networking page if you don't have one already. Put your resume together. If it's been a while and you would like some help writing your resume, certain companies like Get Interviews may offer you a free resume critique. Also, if you have a portfolio of work, open up a blog site to feature it and add the web address for this portfolio to your resume and LinkedIn page, as well.

10. Kids Stuff. If your children have been involved in activities like baseball camp every summer, ask about a scholarship for them this year, explaining your circumstances. Sometimes money is set aside, even at for-profit organizations, just for circumstances like these. Don't let your kids go without before asking for a scholarship or reduced fee.

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