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THE CONSUMER-SIDE PAPERWORK COMPANY

After a Job Loss

A Free Guide to Your Pay, Benefits, and Paperwork

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Read this first

Losing a job sets five systems in motion at the same time: the money that replaces your paycheck, the last paycheck itself, your health coverage, the retirement money you leave behind, and the taxes that follow all of it. Each system has its own paperwork, its own clock, and its own office that will not call you back. This guide walks through all five in the order the clocks demand, and it gives you worksheets to keep the whole thing in one place.

What this guide is: navigation and paperwork. It explains what each document means, what the deadlines are, where the official answers live, and what to write down before you forget it.

What it is not: it is not legal, tax, financial, or medical advice, and it does not decide anything about your specific situation. PocketBack does not represent you. Where a deadline or rule decides real money, this guide points you to the official source, and the official source is the one that counts.

How deadlines work in this guide. Every deadline you will meet belongs to one of four kinds, and the guide labels them as it goes:

- **A federal rule.** The same in every state. When this guide states one, it has been checked against the federal source, and the source is listed at the back.
- **Your state sets it.** Unemployment and final pay run on state rules. There is no honest national number, so the guide shows you how to find yours in about two minutes, with the exact search to run.
- **Your plan sets it.** Some windows live in your employer's plan documents. The guide tells you which document holds the answer and what to ask for.
- **A planning target.** Our suggestion for staying ahead of the real deadlines. These are labeled as suggestions, never dressed up as rules.

One promise about accuracy: this guide carries an edition date and a review date because the rules move. If you find something in here that no longer matches the official source, email pocketbackteam@gmail.com. Corrections matter more to us than compliments, and the change log at the back records every fix.

Part 1: Start Here

The map

When a job ends, five piles of paperwork land at once. Here is the whole terrain before we walk any of it:

- 1 **Income replacement.** Unemployment insurance: a state-run program with a federal framework. You file, you certify on a schedule, and the state decides. Chapter 5.
- 2 **Your final pay.** The last check: wages, overtime, commissions, and whatever your state and your employer's policy say about unused time off. Chapter 6.
- 3 **Any severance agreement.** If one is offered, it is a trade: money in exchange for you signing away claims. It can almost always wait to be read carefully. Chapter 7.
- 4 **Health coverage.** Four doors: COBRA, the Marketplace, a spouse's plan, and Medicaid. Two of them run on 60-day clocks that started when your coverage ended. Chapter 8, the longest chapter in this guide, because it should be.
- 5 **Retirement money and taxes.** The 401(k) you leave behind, the loan against it if you have one, and the tax treatment of every dollar above. Chapters 9 and 5.

The three things that cannot be fixed later

Almost everything in a job loss can be repaired with a phone call and some patience. Three things cannot:

- **Filing for unemployment on time.** Benefits are generally not paid for weeks before you file. Every week of delay is a week that may never be paid. File first; understand the system second.
- **The coverage clocks.** COBRA gives you 60 days to elect. The Marketplace gives you 60 days after losing job-based coverage to enroll. Miss them and the next door may not open for months.
- **Keeping the documents.** The determination letter, the final pay stub, the benefits end date in writing. Paper you throw away in week one is evidence you cannot rebuild in week six.

Everything else in this guide has some slack in it. These three do not, which is why the first worksheet comes before the first explanation.

Set up before you read on

Worksheet 1, Document Inventory, is a one-page list of everything to gather: separation letter, final pay stub, benefits summary, plan documents, the handbook you signed for, and every notice that arrives from here on. **Worksheet 2, Deadlines Tracker**, is where every date you meet gets written down with its kind: federal rule, state rule, plan rule, or planning target. Ten minutes with those two

pages now will save you from the most common job-loss paperwork injury, which is not a denied claim. It is a missed date you never wrote down.

Part 2: First 24 Hours

The first day has one job: preserve. You are not deciding anything today, no matter how much anyone would like you to.

Save everything. Before accounts close and logins expire, gather or photograph: your offer letter and any handbook acknowledgment, your most recent pay stubs, your benefits enrollment summary, the summary plan descriptions for health and retirement, any equity or bonus plan documents, and anything you are handed at the exit conversation. If a separation letter or agreement is offered, take it home. Taking it home is not refusing it. It is reading it.

Do not sign a release today. A severance agreement signed in the exit meeting is a legal document signed at the worst moment to read one. If you are 40 or older, federal law guarantees you at least 21 days to consider a release of age claims (45 days if your exit is part of a group), and 7 days to revoke after signing. Under 40, no federal floor exists, which makes asking for time, in writing, more important, not less. Chapter 7 walks the whole document.

Get five facts in writing. Email is fine; the point is a record, and **Worksheet 6, Contact Log**, is where it lives:

- 1 Your official last day, and whether it is today or a later date.
- 2 The reason for separation, in the employer's own words. This is the same question the unemployment office will ask, and you want their version in writing before memories improve it.
- 3 When the final check arrives, and what it will include.
- 4 Your unused time-off balance, as the employer counts it.
- 5 The exact date your health coverage ends. Not your last day. The coverage date. The 60-day clocks in Chapter 8 run from the coverage date.

Write down what was said. While it is fresh: who was in the room, what reason was given out loud, what was promised. Dates, times, quotes as close as you can get them. Ten honest lines written today outweigh ten pages reconstructed in a month.

That is the whole first day. Tomorrow the clocks are already running, and Part 3 takes them in order.

Part 3: First 7 Days

Week one is not for big decisions. It is for filing, listing, and asking. Three jobs, in this order.

Job 1: File the unemployment claim

Do not wait until you have read Part 5. File first, then read. The claim goes to the state where you worked, through that state's workforce agency. The U.S. Department of Labor sponsors a finder that links to every state's official claim site: search "**CareerOneStop unemployment benefits finder**" and pick your state from the official list, or search "**[your state] unemployment file a claim site:.gov**" and use the state agency result, not an ad and not a paid filing service. Filing a claim is free. Any site that wants a fee to file your claim is not the state.

Have this in reach before you start: your Social Security number, your mailing address, the names and addresses of your employers for the period the application asks about, your last day worked, and bank information if you choose direct deposit. Your state's application will list its own exact items. Use its list over this one.

When the filing is done, save the confirmation page or number in the folder you built with Worksheet 1. That confirmation is a document. Treat it like one.

Job 2: Start the 30-day cash snapshot

Worksheet 5, 30-Day Cash Snapshot, is a plain list, not a budget lecture. Two columns: what is actually coming in over the next 30 days, with dates, and what is set to draft out, with dates. Final check, severance if any, a partner's pay if that applies to your household, and the first unemployment payment once your state tells you its timing. Out the other side: rent or mortgage, utilities, insurance, loan payments, subscriptions that draft on their own.

You are not solving the month today. You are looking at it. Most job-loss money damage in week one comes from drafts nobody remembered, hitting an account that nobody had mapped. The snapshot prevents that specific injury.

Job 3: List every account and login tied to the job

Write down, in Worksheet 1 or Worksheet 6, every system the job gave you access to or paid into: payroll portal, health plan, 401(k) or other retirement plan, health savings or flexible spending account, stock or equity plan, pension if you have one, and any company life or disability coverage. For each one: the company that runs it, the phone number or website on the plan statement, and whether your personal email or the work email is the contact on file. If the work email is the contact, ask for it to be changed to a personal address while you can still get the answer in one call. Statements and notices that go to a dead inbox are decisions being made without you.

The six questions for HR or benefits

Ask these in one email if you can, so the answers come back in writing. Log every answer in Worksheet 6.

- 1 What is the exact date my health coverage ends?
- 2 When will my COBRA election notice be sent, and to what address?
- 3 What will my final check include, line by line, and when will it arrive?
- 4 How will my unused time off be treated, and where is that policy written?
- 5 What is the company's practice on references and on verifying dates and title?
- 6 What equipment do I return, by when, and how do I get a receipt for it?

Short answers are fine. No answer is information too: write down that you asked, and when. Part 5 takes unemployment in full, Part 6 takes the final check, and Part 8 takes coverage. Week one only has to start each of them.

Part 4: First 30 Days

Your decision calendar

Four windows are running. Write each closing date in Worksheet 2 as you confirm it, with its kind next to it.

- **COBRA election: 60 days, a federal rule.** You get at least 60 days to elect COBRA continuation coverage, counted as your election notice explains. If you elect, coverage is retroactive to the date you lost it, and premiums for that whole period come due. Part 8.
- **Marketplace special enrollment: 60 days, a federal rule.** Losing job-based coverage opens a 60-day window to enroll in a Marketplace plan. If you know the loss is coming, you may apply up to 60 days before it. Part 8.
- **A spouse's plan: your plan sets it.** Loss of your coverage can open a special enrollment window in a spouse's group plan. Federal guidance describes a 30-day special enrollment period for joining another group plan after a loss of coverage, but the plan's own documents and benefits office control the exact steps and deadline. Ask in week one, not week four. Part 8.
- **Severance consideration: federal floor only at 40 and older.** If you are 40 or older and were handed a release of age claims, federal law guarantees at least 21 days to consider it, 45 days if your exit is part of a group program, and 7 days to revoke after signing. Under 40, there is no federal floor, so the date the employer wrote in the letter is the date that controls until you ask, in writing, for more. Part 7.

The weekly rhythm

Unemployment runs on your state's schedule, not yours. Your state sets how often you certify for benefits and what work-search activity it requires, and both are printed in your state's claimant handbook and claim portal. Read those two sources in week one and put the certification day in Worksheet 2 as a repeating entry. Keep a work-search log with dates, employers, and contacts even if you are not sure your state requires one this week. A log you kept and did not need costs ten minutes. A log you need and did not keep cannot be rebuilt honestly.

Our suggestion, labeled as one: one paperwork session a week, same day, about an hour. Open Worksheet 2, work the nearest deadline first, file or certify what is due, and log every call in Worksheet 6 before you close the folder. Job searching is the main job now. Paperwork gets one hour, on purpose, so it does not take every hour.

Part 5: Unemployment

What this program is

Unemployment insurance is a federal and state partnership. The U.S. Department of Labor provides program direction and oversight, and each state runs its own program under its own law: its own eligibility rules, its own benefit amount formula, and its own deadlines. That is why this guide will not give you one national number for the questions that follow. Any guide that does is guessing with your money.

File in the state where you worked. If you worked in more than one state, your state agency can explain how combined claims work. Start with the state of the job you just lost, and start now. In most states, benefits are not paid for weeks before the claim is filed, so a week spent deciding is a week that may never be paid. That pattern is state law, not a federal rule, which is why the instruction is simple: file first, and let your state's own handbook explain your state's details.

Find your state the official way: search "**CareerOneStop unemployment benefits finder**" for the Department of Labor directory of state claim sites, or search "**[your state] unemployment file a claim site:.gov**". File on the state site. It is free.

The waiting week

Many states, not all, hold back the first week of benefits as an unpaid waiting week. Your state sets this, and your state's handbook and your first determination letter will say whether it applies to you. Search "**[your state] unemployment waiting week site:.gov**" if the letter does not make it plain. Do not borrow a neighboring state's rule. State lines are the whole game in this program.

Staying paid: continued claims and work search

Getting the claim opened is the start, not the finish. States require continued claims, usually weekly or every two weeks, on the state's schedule, and most require you to look for work and to be able and available for work. Your state sets the exact cadence, the number and kind of work-search activities, and how you report them. All of it is printed in your state's claimant handbook and inside the claim portal itself. Treat those two as the authority for your claim.

Keep your own records regardless: dates you certified, earnings you reported, jobs you applied to, and every letter the state sends. Worksheet 2 holds the dates. Your folder holds the paper.

Money that can change your benefits

Severance, a payout of unused time off, and earnings from part-time or temporary work can each affect whether a week is payable, or how much is paid, and your state sets how each one counts. The rules differ enough by state that the only safe instruction is this: report all of it, exactly as your state

asks, in the week it is received or earned as your state's rules define it. Never leave income off a certification to protect a check. An overpayment finding, with your own certification on file, is a far worse problem than a reduced week, and fixing it later is paperwork of a much harder kind.

Taxes on benefits

Unemployment benefits are taxable income. That is a federal rule. You may elect to have federal tax withheld by filing Form W-4V with the paying agency; the withholding for unemployment is a flat 10 percent of each payment, and the election is voluntary. Whether your state withholds state tax, and at what rate, is set by your state. If you elect no withholding, set money aside yourself as the payments arrive. The tax bill for a year of unwithheld benefits arrives all at once, and it does not care that the year was hard. Worksheet 5 is the place to earmark it.

If the answer is no

A denial is not the end of the process. It is the start of the appeal clock, and that clock is short and set by your state. The deadline is printed on the determination letter. That letter is the key document in any appeal: keep the original, note the date it was mailed and the date you received it, and write the appeal deadline in Worksheet 2 the day the letter arrives.

Two habits protect you while an appeal runs. First, keep certifying for benefits on your state's schedule during the appeal if your state requires or allows it; weeks you do not certify may not be payable even if you win. Your state handbook states your rule. Second, appeal in the way your state specifies, to the office your state names, and keep proof of when and how you sent it.

PocketBack publishes per-state unemployment appeal kits that organize the determination letter, the deadline math, and the hearing paperwork for your state's process. They are linked from this guide's page at getpocketback.com. The free steps above are the whole road if you work them yourself. The kit is a filing cabinet, not a toll booth.

Part 6: Final Pay and PTO

The federal floor, and its limits

Here is what federal law does and does not do, stated plainly. The Fair Labor Standards Act does not set a special deadline for your final paycheck. Under the federal rule, final wages are due on the regular payday for the pay period. Any earlier deadline you have comes from your state law. Federal law also does not require an employer to pay out unused vacation or other paid time off when a job ends. Whether you are paid for that time is controlled by your state law and your employer's own written policy.

So this chapter runs on two documents, and you need both: your state's final pay rule, and the time-off policy you agreed to. Find the state rule at your state labor agency: search "**[your state] final paycheck law site:.gov**". Find the policy in the handbook or acknowledgment you saved in Part 2.

Reconcile the check, line by line

Worksheet 3, Final Pay and PTO Reconciliation, walks the check against your own records. The lines to check:

- Hours: regular hours for the final period, against your own notes or schedule.
- Rate: your last rate of pay, including any raise that had already taken effect.
- Overtime: hours over 40 in a workweek, at the rate your pay records support.
- Commissions or bonuses: what the written plan says about amounts earned before your last day. The plan document controls, so read the plan, not the memory of a conversation.
- Time off: the balance the employer confirmed in Part 3, paid or unpaid according to the policy and state law you just pulled.
- Deductions: only the ones you authorized in writing or that the law requires. A deduction you have never seen before is a question, in writing, with the stub attached.

Keep the final pay stub with the reconciliation. If the numbers later matter, in a tax return, a benefits question, or a dispute, the stub is the source document and your worksheet is the map to it.

If it is wrong, or late

Ask first, in writing, and be specific: the line, the amount you expected, the document you are reading from, and the answer you are asking for. Specific letters get specific answers. Log the exchange in Worksheet 6.

If the written question does not fix it, you have official doors. Your state labor agency takes wage complaints under state law. The U.S. Department of Labor's Wage and Hour Division takes

complaints about federal wage law: complaints are confidential, the Division states that an employer may not retaliate against a worker for filing one, and you can start by calling 1-866-487-9243, which directs you to the nearest Wage and Hour office. Know which law you are using: state deadlines for final pay are enforced under state law, federal minimum wage and overtime under federal law. The agencies' own pages, at dol.gov/agencies/whd and your state labor agency site, explain which door fits which problem.

PocketBack's Paycheck and Unpaid Wages kit builds this reconciliation out in full, with the written-question letters and a deadline tracker for your state's wage claim window. It is linked from this guide's page at getpocketback.com. The worksheet in this guide covers the check itself. The kit is for when the check is wrong and the first letter did not move it.

Part 7: Severance

What you are being asked to trade

A severance agreement is a contract. The employer offers money or benefits you are not already owed, and in exchange you sign a release: you give up the right to bring claims covered by the release, usually including claims about how the employment ended. Read it as a trade, because that is what it is. The EEOC's own guidance to employees, Understanding Waivers of Discrimination Claims in Employee Severance Agreements at [eeoc.gov](https://www.eeoc.gov), is worth reading in full before you sign one. It is written for the person holding the pen, which at this moment is you.

Things the EEOC guidance makes clear:

- The payment offered for your signature must be something in addition to what you are already entitled to. Money you are already owed, such as earned wages or a time-off payout your policy guarantees, is not the consideration for the release.
- A valid release does not cover claims that arise after the date you sign it.
- No agreement can lawfully stop you from filing a charge with the EEOC, or from testifying, assisting, or participating in an EEOC investigation or proceeding. A clause that tries to do that is not enforceable, per the EEOC.
- A waiver signed because of fraud, duress, or improper pressure can be challenged. Courts look at the whole picture, including whether the language was clear, whether you had time to consider it, and whether you were advised to consult an attorney.

If you are 40 or older: the federal floor

For a release of age discrimination claims, federal law sets minimums, and they are not negotiable downward:

- At least **21 days** to consider the agreement, counted from the employer's final offer. If the employer makes material changes, the period starts over.
- At least **45 days** if the waiver is offered as part of a group exit incentive or other group termination program. In a group program, the employer must also give you written information about the group the decision was made from, the eligibility factors, the time limits, and the job titles and ages of those selected and not selected.
- **7 days to revoke** after you sign. This revocation period cannot be waived or shortened by either side, for any reason.
- The agreement must advise you **in writing** to consult an attorney before signing, and it must refer to the Age Discrimination in Employment Act by name.

If any of these pieces is missing from an agreement that asks you to release age claims, that is a concrete fact to raise, in writing, or to take to an attorney.

If you are under 40

No federal floor sets your consideration period. The deadline in the employer's letter is the only deadline you have, which is why Part 2 told you not to sign on the first day. Ask for more time in writing, briefly and without apology: you are reviewing a legal document that trades away legal rights, and a dated email asking for two weeks is a reasonable thing in any office. Whatever answer you get, log it in Worksheet 6.

Read these clauses twice

Whatever your age, read these parts of the agreement word by word:

- **The release itself:** which claims, which laws, which time period. Broad is normal in these documents. Broad and confusing is a reason to ask questions.
- **Payment terms:** amount, lump sum or installments, dates, and what happens to the payments if a dispute arises. Severance pay is taxable income, and payments for accumulated vacation or sick time are taxable too, per the IRS. Withholding will come out before you see the money, so plan on the net, not the headline.
- **Restrictive clauses:** non-compete, non-solicit, confidentiality, and non-disparagement terms, and whether each one runs both ways or only against you. A clause that limits your next job is worth more attention than any other line in the document, because it is the one that follows you.
- **References:** what the company will say, and to whom. If the agreement promises a neutral reference, that promise belongs in writing, here, not in a hallway.
- **Return of property and final pay:** the agreement should not quietly reprice money covered in Part 6. Earned pay is earned pay.

The question-builder

This guide does not hand you negotiation lines, because no honest guide can tell you what your employer will accept. What it can do is make sure you ask the complete set of questions before the deadline, in writing:

- 1 What exactly am I releasing, and is any claim carved out?
- 2 What is the consideration, beyond everything I am already owed, and when is each payment made?
- 3 Which restrictive clauses apply to me, for how long, and over what territory or list of companies?
- 4 What will the company say to a reference check, word for word if possible?
- 5 When does my health coverage end, and does this agreement change anything in Part 8?

- ⁶ Does receiving this severance affect my unemployment claim in this state, and have I reported it to the state agency as Part 5 describes?
- ⁷ If I am 40 or older, where in this document are the 21 or 45 days, the 7-day revocation, and the written advice to consult an attorney?

When the stakes justify a lawyer: if the amount is large, if a restrictive clause threatens your next job, if you believe discrimination or retaliation played a role, or if any sentence in the agreement defeats you after two honest readings. The agreement itself, if you are 40 or older, tells you in writing to consult one. A one-hour review of a document you will live under for years is not an indulgence.

Part 8: Health Insurance

Losing a job usually means losing the health plan that came with it, on a date the employer sets. Get that date in writing, as Part 2 directed. Four doors can replace the coverage. They have different clocks, different costs, and different fine print, and two of them close fast. **Worksheet 4, Health Coverage Comparison**, is built to put the four side by side before you choose.

Door 1: COBRA, keeping the plan you had

COBRA is a federal law that lets you keep your employer's group health plan for a limited time after you lose it, by paying the premium yourself. The mechanics, from the U.S. Department of Labor:

- **Who it covers.** COBRA generally applies to private-sector group health plans of employers with at least 20 employees, counted as the DOL guide specifies, on more than half of their typical business days in the previous calendar year. It also covers state and local government plans. It does not apply to federal government plans or to certain church plans. If your employer was smaller, ask your state insurance department about state continuation rules, which many states have. Your state sets those, so the answer lives with the state.
- **The election window.** The plan must give you at least 60 days to elect COBRA. That period runs from the later of the date you would lose coverage or the date the plan sends your election notice, and the notice itself will state your dates. Use the notice's dates over any summary, including this one.
- **Retroactive coverage.** If you elect within your window, coverage is retroactive to the date you lost it. There is no gap on paper. There is also no discount for the wait: premiums for the whole retroactive period come due, on the schedule and grace periods your election notice states.
- **The price.** The plan may charge up to 102 percent of the full cost of the coverage. That is the employer's share, your old share, and up to a 2 percent administration charge, in one bill, to you. The number shocks most people the first time because the employer's share was invisible while you worked there. In a disability extension, the charge can rise to 150 percent. Your election notice states your actual premium.
- **How long it lasts.** For a termination or a reduction in hours, continuation generally runs up to 18 months. The DOL lists 18, 29, or 36 month periods depending on the event and on extensions, and your election notice describes which apply to you and what can end coverage early.

The waiting question, answered carefully. Because election is retroactive, some people wait inside the 60-day window before deciding: if no medical need arises, they may choose another door instead, and if one does arise, they elect COBRA and pay the retroactive premiums. That sequence is a fact about how the retroactive rule works. It is also a risk you take with your eyes open:

- Miss the election deadline in your notice and the COBRA right ends. Retroactive does not mean forgiving.
- The Marketplace window below is its own 60 days from your loss of coverage. Time spent waiting on COBRA is time spent inside that window too. The two clocks do not pause for each other.
- If you elect COBRA and later drop it before it runs out, dropping it generally does not open a new Marketplace special enrollment window. Per the Department of Labor, ending COBRA early usually means waiting for the next Marketplace open enrollment or another qualifying event. Read that sentence twice before treating COBRA as a bridge you can step off at will.
- Retroactive premiums for several months, due at once, are real money. Run the figure in Worksheet 4 before the strategy, not after.

Door 2: The Marketplace

Losing job-based coverage opens a special enrollment period in the Health Insurance Marketplace at healthcare.gov (or your state's marketplace, which healthcare.gov will route you to). The federal rules:

- You have **60 days after** losing job-based coverage to enroll.
- If you know the loss is coming, you may apply **up to 60 days before** it. Used well, this is the no-gap door: coverage can start the **1st of the month after your job-based coverage ends** when you select a plan in time.
- The application asks for your estimated household income for the coverage year. Estimate honestly, using what you know today, and report changes through the Marketplace as the year develops. The application, not a guess from a friend, is where your premium tax credit is figured.

Read this before you price a plan. The enhanced premium subsidies from the pandemic period expired at the end of 2025. Do not price 2026 Marketplace coverage using a neighbor's 2024 premium or an old article. Run your own application for your actual numbers. Separately, the year-round special enrollment period that once existed for people under 150 percent of the federal poverty level was eliminated on August 25, 2025. It does not exist anymore. If your income is low, Door 4 below is the year-round door, not a Marketplace exception.

Door 3: A spouse's or partner's plan

If your spouse has a group health plan, losing your coverage can open a special enrollment opportunity in that plan. Federal guidance describes a 30-day special enrollment period to join another group health plan after losing coverage. Treat 30 days as a warning light, not a promise: this deadline is set by your spouse's plan, and the plan's summary plan description and benefits office control the exact request, the forms, and the date. Ask the benefits office in week one, by phone and in writing, these three things: Is loss of a spouse's coverage a special enrollment event under this plan? What is the last day to request enrollment? What documents prove the loss? Log the answers in Worksheet 6,

and compare the plan's premium, deductible, and network in Worksheet 4 like any other door. A payroll-deducted premium for coverage your doctors accept can beat both other doors. You cannot know until it is on the worksheet.

Door 4: Medicaid and CHIP

Medicaid and the Children's Health Insurance Program provide free or low-cost coverage to eligible households, and you can apply any time of year. There is no enrollment window to miss. Eligibility is income based and set by your state, and states differ, including on whether they expanded Medicaid. Two practical points from [healthcare.gov](https://www.healthcare.gov): apply even if you are not sure you qualify, because your state's program may count your household's circumstances in ways a guess cannot; and when you file a Marketplace application, it screens for Medicaid and CHIP automatically. If it looks like anyone in your household qualifies, the Marketplace securely sends your information to your state agency, and the state contacts you about enrollment. One application therefore tests two doors at once, which is why filing the Marketplace application early in your 60 days is sound even if COBRA is your expected answer.

Choosing, on paper

Fill Worksheet 4 with real figures for each door that is open to you: monthly premium, deductible, out-of-pocket maximum, whether your current doctors and prescriptions are in network, the date coverage starts, and the date the decision closes. Then decide. A premium you cannot sustain for six months is not cheaper than a premium you can, and a plan your doctor is outside of is not the same plan you had, whatever the card looks like.

PocketBack's COBRA vs. Marketplace Decision Workbook takes this one comparison, the job-loss coverage choice, and works it to the last line: premium math over the months you actually expect to need, retroactive premium totals if you wait to elect, and a deadline sheet for both clocks. It is linked from this guide's page at getpocketback.com. Everything you need to make the decision carefully is in this chapter and Worksheet 4. The workbook is for readers who want the arithmetic done in a structured form rather than on the back of the election notice.

Part 9: Retirement Money

The retirement account from the old job is the easiest system to harm in a hurry and the easiest to leave alone safely. Slow down here on purpose. Nothing in this chapter has a 60-day clock running today unless you start a distribution. Starting one starts clocks. Understand them before you do.

The four options for an old 401(k)

- 1 Leave it where it is.** If your plan's terms allow it, the money can stay in the former employer's plan, invested as it is. Whether this is open to you, and what happens with smaller balances, is set by your plan's rules: plans can have their own handling for accounts below their stated thresholds, including moving a small balance to an IRA for you or paying it out. Read every notice the plan sends in the first 90 days. Doing nothing is a legitimate choice when the plan allows it and the fees and fund choices are acceptable to you. It is a choice, though, not an oversight. Write down that you chose it.
- 2 Roll it to an IRA.** You open an IRA and have the plan send the money there. How the money moves matters more than where it lands. See the rollover section below.
- 3 Roll it to a new employer's plan.** If a new job offers a plan and that plan accepts rollovers, the money can move plan to plan. The new plan's documents control whether it accepts incoming rollovers and what forms it requires.
- 4 Cash it out.** The plan sends you the money and the account is done. The IRS position is plain: distributions from a 401(k) are taxable unless they are rolled over, and if you are under age 59 and a half, a taxable portion that is not rolled over may also be subject to a 10 percent additional tax on early distributions. Cashing out is the only option on this list that shrinks the account by taxes and possibly that additional tax on the way out, and the money stops being retirement money the day it lands. This guide takes no position on your emergency. It insists you see the full price tag first, in your own numbers, in Worksheet 5.

Direct and indirect rollovers are different animals

A **direct rollover** means the plan transfers the distribution straight to another eligible plan or to an IRA. Under this option, per the IRS, no taxes are withheld. This is the clean path, and it is the one to ask for by name.

An **indirect rollover** means the distribution is paid to you, and you deposit it into an eligible plan or IRA yourself. Two federal rules govern it:

- You have **60 days** from the date you receive the distribution to complete the rollover. Miss it and the amount not rolled over is taxable income for that year, with the early distribution tax possibly on top.

- If the distribution came from an **employer plan**, the plan must withhold **20 percent** for federal tax before paying you, even if you tell the plan you intend to roll the whole amount over. To defer tax on the entire distribution, you must deposit the full amount, which means making up the withheld 20 percent from other funds and recovering the withholding later through your tax return. Deposit only what you received and the withheld slice counts as a taxable distribution.

Keep the accounts separate in your mind: that 20 percent mandatory withholding is an employer-plan rule. An indirect rollover from an **IRA** works differently; IRA withholding is not the mandatory 20 percent and can be elected and adjusted. Do not let a form or a phone agent blur the two. The IRS page for this, Rollovers of Retirement Plan and IRA Distributions at [irs.gov](https://www.irs.gov), lays both out, and it is listed in the sources at the back.

The loan trap

If you have an outstanding loan from your 401(k), separation changes its footing. Your plan's loan terms control what happens next: many plans offset the loan, which means the unpaid balance is treated as a distribution to you, once employment ends and the loan is not repaid under the plan's schedule.

Here is the deadline that matters, and it has two versions:

- If the offset happens **because your employment ended or the plan terminated**, you have until your **federal tax filing deadline, including extensions, for the year of the offset** to roll that amount into an IRA or another eligible plan and keep it out of taxable income. This longer window is federal law, per the IRS guidance on plan loan offsets.
- An offset for any **other** reason keeps the standard **60-day** rollover window.

Either way, the rollover takes cash from somewhere: you deposit the offset amount from other funds, because the loan money is already spent. Find out whether you have a loan, what the balance is, and what your plan does at separation, in week one, from the plan statement and one logged phone call. A loan offset discovered at tax time is a deadline already half spent. Write the correct deadline, filing deadline or 60 days, in Worksheet 2 with its kind: federal rule.

Part 10: Monthly Numbers and Hardship Doors

Re-run the snapshot every month

Worksheet 5 was a 30-day picture. Remake it at the start of each month while this lasts. What changed: benefits started or ended, a severance schedule finished, a coverage premium began, a deadline in Worksheet 2 moved from future to done. Ten minutes with the new month's real numbers beats a month of running on the first month's guesses.

One tax habit belongs in the monthly pass. The IRS makes the point directly: severance pay and unemployment compensation are taxable, and payments for accumulated vacation or sick time are taxable too. Check that enough tax is being withheld from whatever is coming in, or set the money aside and consider estimated payments, so the tax bill does not arrive as a second emergency. Form W-4V, from Part 5, is the withholding lever for unemployment. Your pay stubs and benefit letters show what is actually being withheld. Read them, do not assume them.

Three calls that change the math

These are not scripts and they promise nothing. They are the three conversations households most often postpone past the point where the conversation could help. Every term in this section is set by the company or institution on the other end, which is why each call ends the same way: get the answer in writing.

- ¹ **Housing.** If a mortgage payment is at risk, call your mortgage servicer early, before a payment is missed if you can. The Consumer Financial Protection Bureau's housing guidance at consumerfinance.gov/housing makes two things clear: the options vary depending on your loan, so you have to contact your servicer to learn yours; and HUD-approved housing counselors exist to walk through those options with you, findable through the CFPB. Ask what options are available for your loan, what each one does to your payments and your balance, what documents are needed, and what happens at the end of any pause. If you rent, the same principle runs through your lease and your landlord: early, in writing, with any agreement about timing or amount confirmed back to you in writing before you rely on it.
- ² **Creditors.** Card and loan companies run their own hardship and payment programs, each on its own terms. Call before the account goes past due, ask what programs exist for a job loss, what each program does to interest, fees, and your credit reporting, and how long it lasts. Decline anything you do not understand on that call. A program you cannot describe back is a program you have not agreed to yet, whatever the agent says. Log every term in Worksheet 6.

- 3 **Subscriptions and drafts.** The snapshot from Part 3 lists them. Cancel or pause the ones the household does not need at the source, and confirm the change so a draft you killed does not quietly continue. This is the smallest of the three calls and the only one entirely in your control, which is a fine reason to do it first on a bad day.

The hardship directory

No promises travel with this list. Each program has its own rules, its own funding, and its own application, and being listed here means only this: it is a real door, run by a real agency, and it costs nothing to ask. Local help runs out in some places and some months. Ask early anyway.

- **Food: SNAP.** The Supplemental Nutrition Assistance Program, run by the USDA's Food and Nutrition Service with the states, helps eligible households buy food. Apply through your state or local SNAP office. Start at fns.usda.gov/snap, which links to each state's application route.
- **Energy bills: LIHEAP.** The Low Income Home Energy Assistance Program, a federal program administered by the U.S. Department of Health and Human Services, helps eligible low-income households with home heating and cooling costs. It is run locally, so the application goes through your state or local agency. Start at acf.hhs.gov/ocs.
- **One call for local help: 211.** Dial 2-1-1 from any phone, or visit 211.org. The service is free and confidential, and it connects you to local programs for food, housing, utilities, childcare, and other needs in your own area. When you do not know which door fits your problem, this is the call that sorts it.
- **Health coverage: Medicaid and CHIP.** Covered in Part 8. Year-round application, income based, and screened automatically by a Marketplace application.
- **Housing and debt information: CFPB.** The Consumer Financial Protection Bureau's housing pages at consumerfinance.gov/housing collect servicer questions, counselor listings, and foreclosure prevention information in one official place.

Asking is not a commitment, and it is not a mark on anything. It is information, gathered the same way you gathered everything else in this guide: early, in writing, in the folder.

Part 11: The Tracker Pages

Everything in this guide eventually lands on two pages. They are printed here, at the back, on purpose, because the back is where you will look for them in week six.

Worksheet 2, Deadlines Tracker. One line per deadline: what it is, the date, which kind it is (federal rule, your state sets it, your plan sets it, or a planning target), where you confirmed it, and a box to check when it is done. If a date is not on this page, it does not exist yet. Get it onto the page.

Worksheet 6, Contact Log. One block per contact: date, organization, person, number or address used, what you asked, what they answered, and what document proves it. Memory is a fine tool for birthdays. It is a poor system for deadlines, dollar figures, and what a benefits office told you on a Tuesday.

The same six worksheets ship as free editable files with this guide, at no charge and with no email required: W1 Document Inventory, W2 Deadlines Tracker, W3 Final Pay and PTO Reconciliation, W4 Health Coverage Comparison, W5 30-Day Cash Snapshot, and W6 Contact Log. Print them, copy them into a notebook, or type into the files. The format does not matter. The habit does: one folder, every letter, every date written down once, where future you can find it.

You have read a guide about a bad season. The paperwork in it is not the season itself. Work the deadlines in order, keep the folder current, and let the rest of your hours go to the search for the next job. That search is the way out. This guide's whole job is to make sure the paperwork does not block the road.

Back Matter

Official sources

Every rule stated in this guide traces to one of these primary sources, checked on the dates recorded in the edition box below. If a source and this guide ever disagree, the source wins. Tell us, and we will fix the guide.

Unemployment (Parts 3, 4, 5). U.S. Department of Labor, Employment and Training Administration, and Office of Inspector General, Overview of the Unemployment Insurance Program (dol.gov, oig.dol.gov). CareerOneStop Unemployment Benefits Finder, sponsored by the U.S. Department of Labor. Your own state's workforce agency handbook and claim portal, for every state-set rule in these chapters.

Final pay (Part 6). U.S. Department of Labor, Wage and Hour Division: elaws Fair Labor Standards Act guidance and Handy Reference Guide (final wages and vacation pay), and How to File a Complaint (dol.gov/agencies/whd/contact/complaints, 1-866-487-9243). Your state labor agency, for your state's final pay deadline.

Severance (Part 7). U.S. Equal Employment Opportunity Commission, Q&A: Understanding Waivers of Discrimination Claims in Employee Severance Agreements (eeoc.gov/laws/guidance/qa-understanding-waivers-discrimination-claims-employee-severance-agreements), and 29 U.S.C. 626(f).

Health coverage (Parts 4, 8). U.S. Department of Labor, Employee Benefits Security Administration: An Employer's Guide to Group Health Continuation Coverage Under COBRA, and COBRA continuation coverage guidance (dol.gov). HealthCare.gov: special enrollment periods and losing job-based coverage, and Medicaid and CHIP coverage (healthcare.gov/medicaid-chip).

Retirement (Part 9). Internal Revenue Service: 401(k) Resource Guide, Plan Participants, General Distribution Rules; Rollovers of Retirement Plan and IRA Distributions; and Retirement Plan Loan Offsets guidance (irs.gov), with Internal Revenue Code 402(c)(3)(C).

Taxes (Parts 5, 7, 10). Internal Revenue Service: What If I Lose My Job (irs.gov/newsroom) and Publication 4128, Tax Impact of Job Loss; Form W-4V, Voluntary Withholding Request.

Hardship doors (Part 10). USDA Food and Nutrition Service, SNAP (fns.usda.gov/snap). U.S. Department of Health and Human Services, Administration for Children and Families, Low Income Home Energy Assistance Program (acf.hhs.gov/ocs). 211 (211.org). Consumer Financial Protection Bureau, housing resources (consumerfinance.gov/housing).

Edition and review

Edition 1. Published October 2026. Last reviewed October 2026.

This guide is reviewed on a standing schedule: links checked monthly, high-risk claims (deadlines, percentages, windows) rechecked against the sources above every quarter, and sooner whenever a source changes. Corrections are recorded in the change log below and in the next edition.

Change log: Edition 1, October 2026. First publication. No corrections yet.

Spotted something that no longer matches an official source? Email pocketbackteam@gmail.com. Corrections matter more to us than compliments, and every verified correction goes into the change log.

A note on reviews

If this guide helped you, or if it fell short somewhere, we would value an honest review on this product's page on Gumroad, where you downloaded it. Good or bad, specific is best: what you used, what worked, what was missing.

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