



# SUMMITRY

# JOB TRANSITION PLANNING

March 8, 2023

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## SPEAKERS



**ALEX KATZ**  
Partner



**BRANDY SAVAGE**  
Principal



**MANDY PHAM, CFP®, CFA, EA**  
Senior Financial Advisor

## INTRODUCTION TO SUMMITRY

We help families thrive through the unique set of opportunities and challenges posed by life in the Bay Area.



# AGENDA

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- Common Questions, Financial Planning & Checklist Considerations
- 401(k)/Retirement Accounts, GSUs & Severance Package Considerations
- Summitry Case Studies: Real Life Problems & Solutions
- Where To Go From Here: Taking & Maintaining Control
- Q&A

## COMMON QUESTIONS

- These are all fair questions you may be asking yourself during this transitional time - whether it be with intent to get back into the workforce immediately, work optional, part-time or considering retirement.

What happens to my 401(k)?

How much time do I have before I deplete my emergency fund?

How much do I need to retire?

What happens to my GSUs?  
Are there any tax implications?

Can I negotiate a severance package?

# ALWAYS START WITH PLANNING



Determine Your Goals, Objectives & Concerns both Long-term and Short-term.

- Your Financial Planning Partners have many tools at their disposal, but we need to first know what we are trying to solve for.



Create a Cohesive Financial Plan to Align with Your Goals and Objectives.

- Look at the entire portfolio to ensure that each piece is
- Determine the best “tools in the toolbox” to utilize when developing your plan.



Employ a Fundamental, Tactical and Strategic Approach to Optimize Your Plan.



**TAKE ACTION:** One of the biggest pitfalls is not making a decision at all.

# IMMEDIATE ACTION ITEMS

## WHAT ISSUES SHOULD I CONSIDER IF I LOSE MY JOB?

CASH FLOW ISSUES	YES	NO
<p><b>Are you still employed but will lose your job soon?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>Try to increase your emergency fund reserves before you lose your job.</li> <li>If you have a Flexible Spending Account, spend the money while still employed (or while covered under COBRA) for items you may need when unemployed.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Are you entitled to any compensation (back pay, sick pay, vacation pay) or a severance package?</b> If so, consider confirming the details with your HR department.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Were you laid off, downsized or was your position eliminated?</b> Depending upon the terms of your termination and your state's laws, you may be eligible for unemployment benefits. Benefits are determined based on your state of residence and typically last for about 26 weeks. Note any current extensions or enhanced benefits that may be available.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you need to review your budget?</b> If so, look for areas to reduce spending, especially your discretionary expenses.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Will your cash flow be tight?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>The length of time your emergency fund will last.</li> <li>If you have debts, contact your creditors to see if you can reduce or defer payments while you are between jobs.</li> <li>Part-time jobs, freelancing, and consulting may provide some income while you are between jobs and might lead to a permanent career path.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Are you age 62 or older?</b> If so, you may be eligible for Social Security benefits. However, you will need to review how timing affects your benefit amount and your overall retirement situation.</p>	<input type="checkbox"/>	<input type="checkbox"/>

HEALTH INSURANCE ISSUES	YES	NO
<p><b>Will you lose your health insurance soon?</b> If so, consider making sure you are up-to-date on medical and dental exams and any medical procedures before your health insurance ends.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Will you need health insurance?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>If you worked for a company with 20 or more employees, you may be eligible for COBRA, which will allow you to stay on your employer's health plan for 18 months, typically. You will have an election period of 60 days to decide. If you were terminated involuntarily, you may be eligible for premium subsidies.</li> <li>If you are married and your spouse has a plan through their employer, you may be able to join that plan.</li> <li>You may be eligible for insurance on the Health Insurance Marketplace. You have 60 days after you lose your job to enroll, according to the special enrollment period rules.</li> <li>If you are over age 65, you may be eligible to sign up for Medicare if you haven't already. The Special Enrollment Period for Part A and B is an eight-month window, beginning the month after the earlier of the end of your employment, or the end of your employer-provided health insurance.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>

ASSET & DEBT ISSUES	YES	NO
<p><b>Do you have any debts (student loans, credit card debt)?</b> If so, consider contacting your lenders/creditors to explain the situation. They may offer a short-term hardship program.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Do you have a retirement account with your former employer?</b> If so, consider the following:</p> <ul style="list-style-type: none"> <li>Loan repayment can vary by the plan rules, although most loans must be paid back by the due date of your tax return for the year you leave your employer.</li> <li>Distributions may be subject to an early withdrawal penalty of 10% if you leave the employer before turning age 55.</li> <li>If you are at least age 55, you may be eligible to begin distributions without incurring a penalty. (continue on next page)</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>

## What to do with an old 401(k)<sup>1, 2</sup>

- Roll over to an IRA
  - Consolidation of retirement accounts into one place
  - Opens up investment options and creates more control for the account owner
- Roll into a new workplace 401(k) plan
  - Neither employee nor former employer can no longer contribute to an inactive 401(k)
- Stay in your old workplace plan
  - Not always allowed (dependent upon the employer)
- Cash out
  - Potentially subject to a 10% withdrawal penalty if assets are withdrawn early

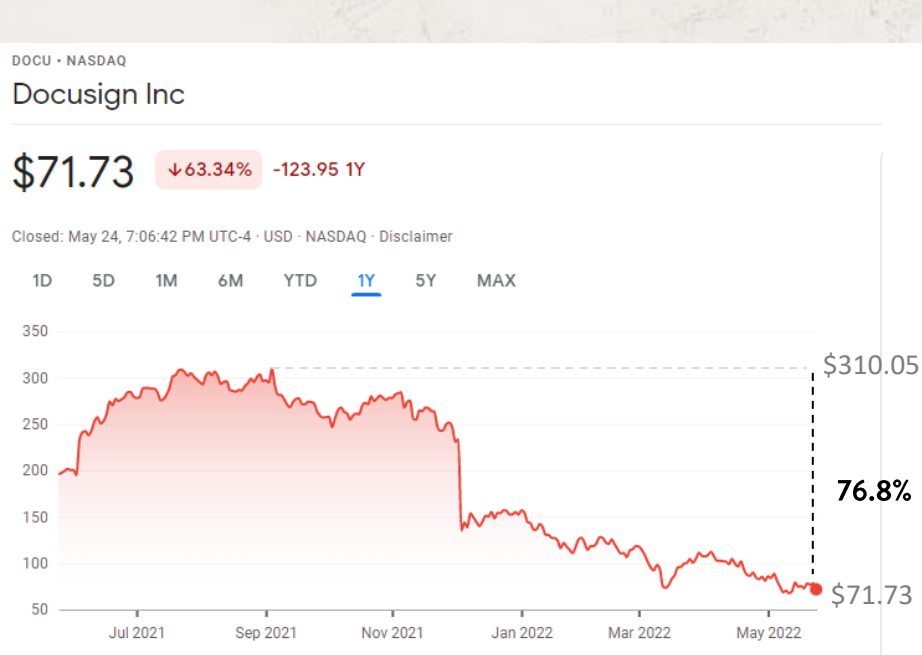


## CONSIDERATIONS WHEN HOLDING A CONCENTRATED POSITION (GSUS)

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- What is a concentrated position?
- How does that impact my portfolio?
- What are my options?
- Tax Considerations

# CONCENTRATION RISK



# TERMINATION & SEVERANCE PACKAGE CONSIDERATIONS<sup>1</sup>

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- A Brief Note on California Labor & Employment Law
- What is typically included in a Severance Package?
  - Wages, COBRA, Unemployment, Transition Help, stock considerations, release of liability.
- What Factors Should I Consider When Accepting a Severance Package? What are my options?

## CASE STUDY

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### THE CHALLENGE

- Layoff & Subsequent Unemployment.

### THE GOAL

- Determining what it will take to be financially secure both long and short-term.

### THE SOLUTION

- Review of severance package, insurance considerations, comprehensive financial planning and hypothetical scenario buildouts led to better-than anticipated results.



## CASE STUDY

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### THE CHALLENGE

- Considering new career opportunity and understanding financial impact.

### THE GOAL

- Finding a balance between work and family priorities.

### THE SOLUTION

- Comprehensive financial planning and hypothetical scenario buildouts, basis for negotiations.





# FINANCIAL PLANNING & EMONEY ANALYSIS

# Financial Planning: eMoney Analysis

**Net Worth**  
**\$5,588,055**  
 as of today

▲ \$41,333 this month    ▲ \$1,922,852 since Jan 2018

**Investments**  
**\$2,896,055**  
 as of today

▲ \$41,333 this month    ▲ \$1,130,103 since Jan 2018



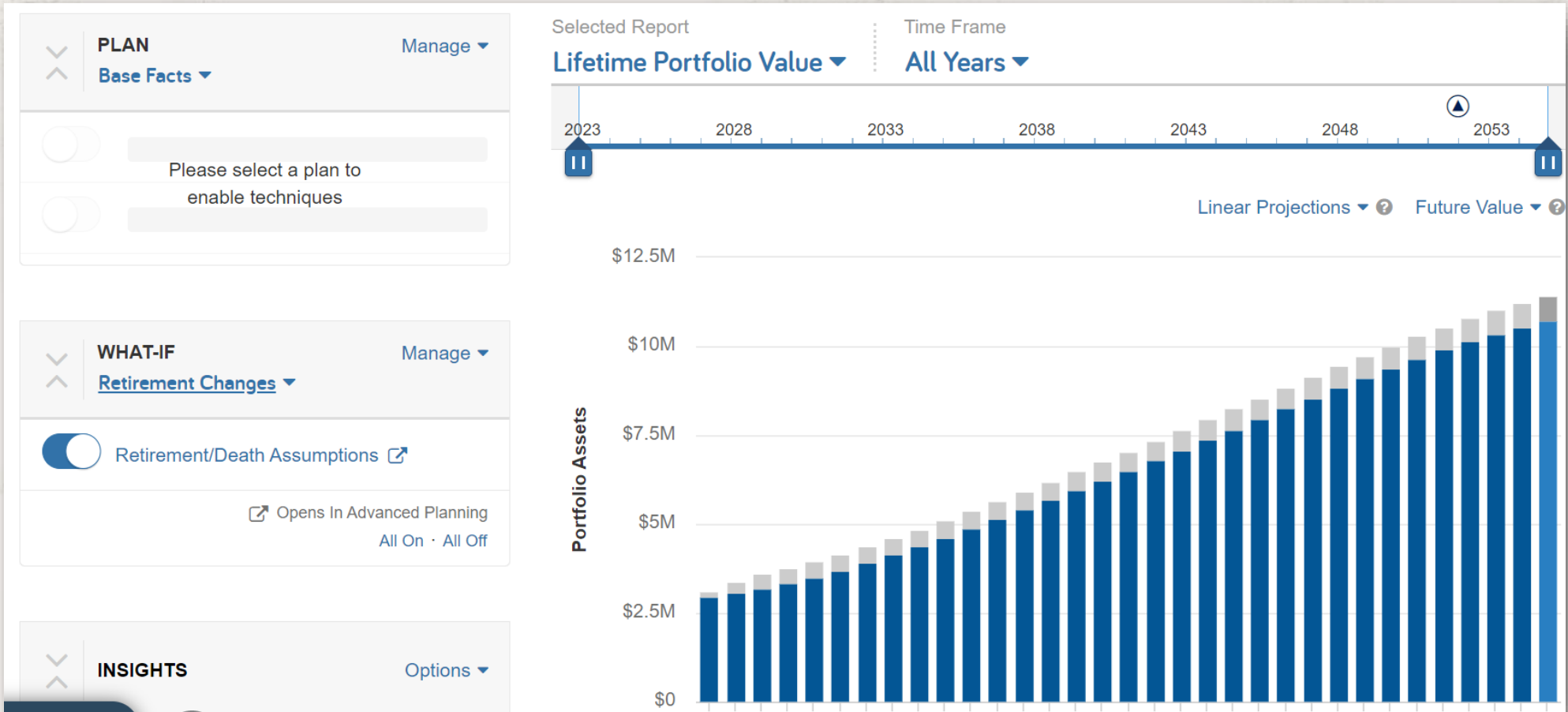
Equities	\$1,895,095.82	65.44%
Cash	\$650,190.05	22.45%
Taxable Bonds	\$271,816.29	9.39%
Tax Exempt Bonds	\$57,417.34	1.98%
Other	\$21,535.67	0.74%

# Financial Planning: eMoney Analysis

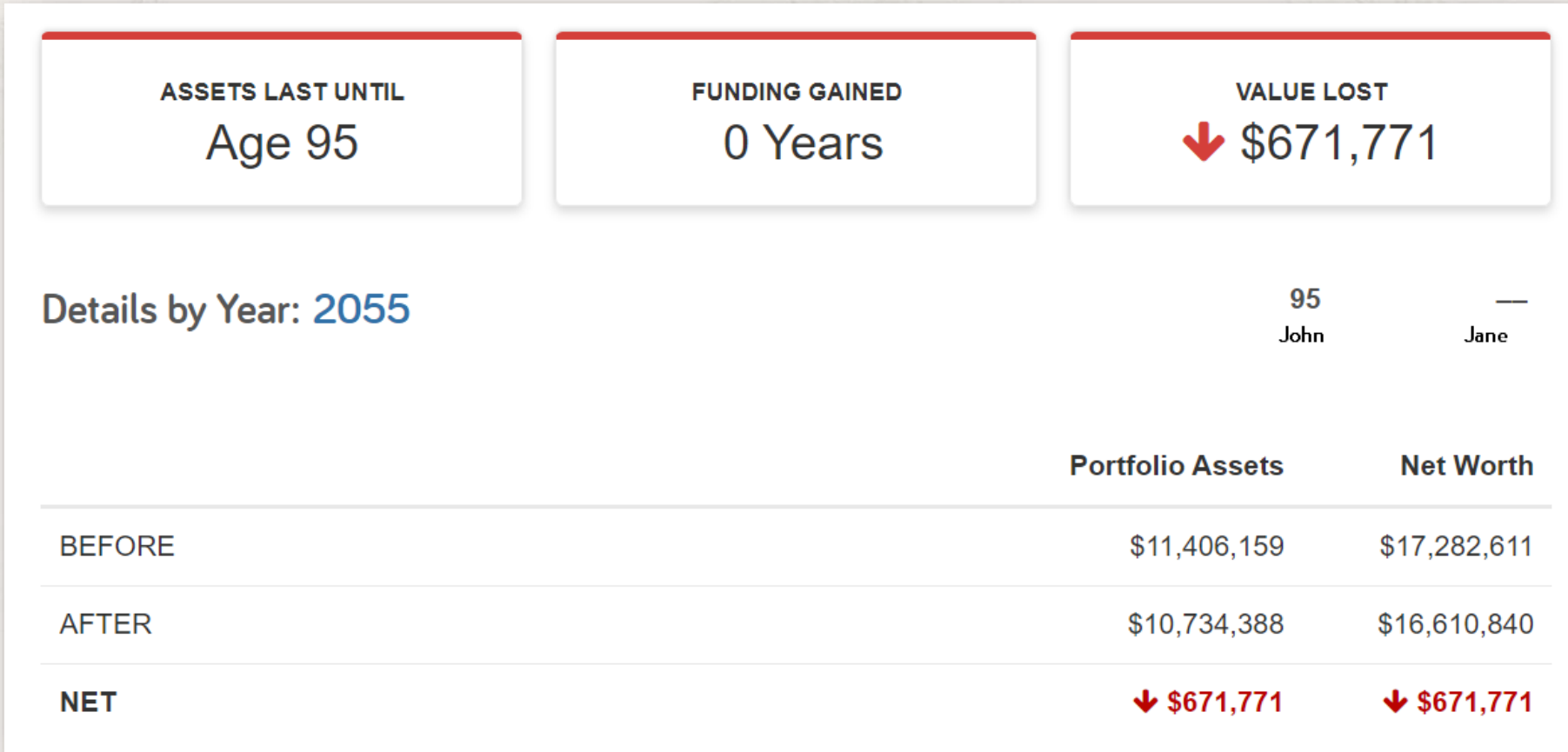




# Financial Planning: eMoney Analysis



# Financial Planning: eMoney Analysis



## Next Steps: Taking Action

- Reviewing/updating your household income and expenses.
- Reviewing your emergency fund.
- Creating a comprehensive financial plan tailored to your family's goals and needs.
- Leveraging your *Charles Schwab* Financial Consultant.

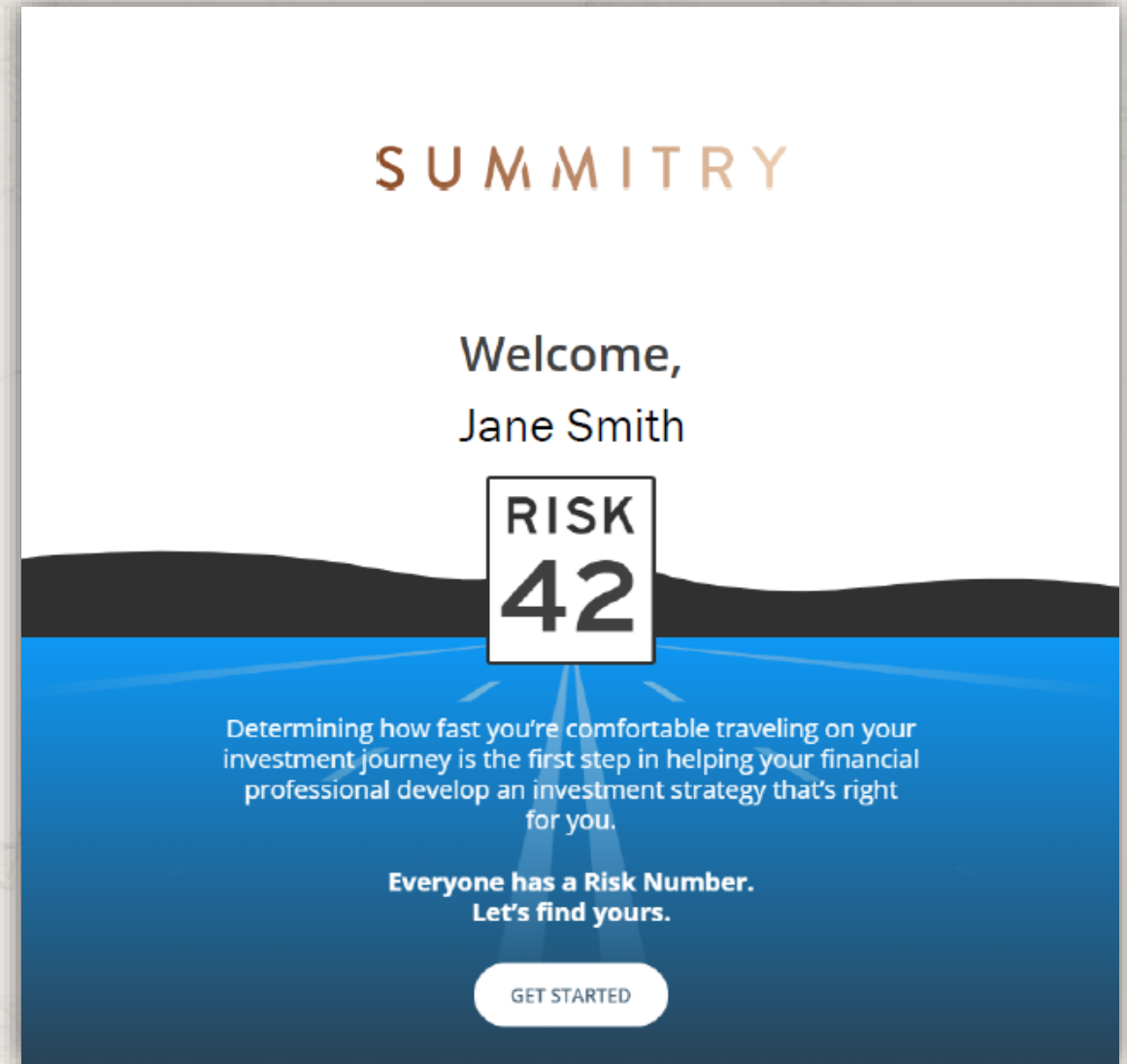
For further questions, please contact:



Jess Ramos, MBA



VP - Financial Consultant | San Jose-Milpitas  
Text / Mobile: 408-747-9078 | Office: 408-467-7035 |  
Branch Office: 12 Ranch Dr, Milpitas, CA 95035  
Email: Jess.Ramos@Schwab.com



The graphic features the word "SUMMITRY" at the top in a brown, spaced-out font. Below it, the text "Welcome, Jane Smith" is centered. A central white box with a black border contains the word "RISK" above the number "42". The background is split horizontally: the top half is white with a black silhouette of hills, and the bottom half is blue with a white silhouette of hills. A white beam of light points from the "RISK 42" box down to a white "GET STARTED" button at the bottom.

SUMMITRY

Welcome,  
Jane Smith

RISK  
42

Determining how fast you're comfortable traveling on your investment journey is the first step in helping your financial professional develop an investment strategy that's right for you.

Everyone has a Risk Number.  
Let's find yours.

GET STARTED