

EMPLOYEE VERSION


The COVID-19 Termination Guide

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Termination Guide & Next Steps

If you've suddenly found yourself without a source of income as a result of the coronavirus pandemic, you're by no means alone. Millions of Americans have been left asking: what now? There are some things you can do right now to alleviate some of the financial pressure and feel more in control of your path forward.

In this guide, you'll find a brief overview on filing for unemployment, some best practices about common benefits, like health insurance, and tips around budgeting and mental health support. We hope this helps you to navigate these next steps more easily.



Filing for Unemployment

One of the first things you'll want to do after your termination is file for unemployment. In light of COVID-19, a new federal law was passed allowing states to extend unemployment benefits to self-employed and gig workers, and to provide an extra \$600 per week as well as an additional 13 weeks of benefits. Some states have also waived their unemployment insurance program's mandatory waiting period and relaxed some of the eligibility requirements.

Unemployment eligibility varies by state, however, the general requirements include: being out of work through no fault of your own (not terminated "for cause"), being able to work, and meeting your state's requirements for minimum earnings or length of time worked.

To file for unemployment, you will need to file a claim with the unemployment insurance program of the state you worked in at the time of termination. Generally, the state will request information including the dates and location of employment. It can typically take 2-3 weeks from the time of filing to receive your first unemployment check.

Visit the Department of Labor's [Unemployment Benefits Finder](#) for more information, and to find links for your state's unemployment program.



Medical, Dental, & Vision Insurance Plans

If you accessed medical, dental, and vision insurance plans through your employer, these benefits will remain active until the last day of the month in which your employment ends. If you have any specific coverage questions, contact your carrier directly.

COBRA Insurance Coverage Continuation

If you accessed health insurance through your employer, you should receive a notice indicating your eligibility for COBRA insurance coverage continuation. [The Consolidated Omnibus Budget Reconciliation Act](#) of 1985 (COBRA) is a federal law that gives workers and their families (“qualified beneficiaries”) the opportunity to continue the benefits they had under their employer’s group health plan for certain specified periods of time in the event that they lose coverage under the plan as a result of certain qualifying events.

Your employer’s COBRA administrator will send physical COBRA election packets (as mandated by law) to your home address. Your election packet will be sent within 14 days of your health insurance end date, in accordance with the regulation.

You will be able to enroll in COBRA with the paper election packet or, depending on the administrator, via an online portal. You have a 60-day election period to decide to enroll in coverage, and the 60-day period starts on the date that the election packet is mailed. If you make an election during this 60-day election period, coverage is effective the day after your employer-sponsored coverage ends (usually the first day of the month after your COBRA qualifying event).



Enrolling in the Health Insurance Marketplace

If you didn't have access to health insurance through your employer, you do have options for health coverage.

Note: *Depending on your circumstances your options may vary.*

Sign up for coverage through a health insurance exchange

Health insurance exchanges are a place where you can buy individual health insurance plans directly from the state if you've experienced a qualifying life event, like losing health insurance due to unemployment. After a qualifying life event, you'll have between 30 and 60 days to shop for health plans through your state's insurance marketplace before your special enrollment period ends.

Note: *Due to the COVID-19 pandemic, some states have reopened their enrollment period.*

See if you qualify for Medicaid or Children's Health Insurance Program (CHIP)

Medicaid is a combination of federal and state programs that helps with medical costs for some people with limited income and resources. CHIP is a joint federal and state program that provides health coverage to uninsured children in families with incomes too high to qualify for Medicaid, but too low to afford private coverage. You can apply for Medicaid and/or CHIP through your state's Medicaid offices.



Other Benefits

If you accessed additional benefits through your employer, here are some general guidelines around some common benefits. To get specific guidance, it's always a good idea to reach out to the provider or carrier directly, or the HR department at your former employer.

Health Savings Account (HSA)

HSA funds do not expire. Although you will not be able to contribute to an HSA if you are no longer enrolled in a high-deductible health plan (HDHP), HSA funds can still be used for qualified expenses — even if you are not currently eligible to contribute to your HSA.

To ensure continued access and use of HSA accounts,
please contact your carrier directly.

Flexible Spending Account (FSA)

The last day that you can incur FSA eligible expenses is your termination date. However, you can submit claims for expenses, incurred on or prior to your termination date, until March 31 of the following calendar year.

401(k) Retirement Account

Your last 401(k) deduction(s) will occur on your last paycheck. Build a strategy for how you're going to manage your 401(k) funds. You have three main options:

- Keep them with your current 401k provider.
- Roll them over into an IRA, or into a new 401(k) if you have one.
- Cash out (this should be done only in case of an extreme financial emergency)

If you'd like to transfer your 401(k) funds to a new provider or IRA, reach out to your former employer or the provider.



Company-paid Life & Other Insurances

Additional insurance policies you may have had through your employer, such as basic life, AD&D, supplemental life, and others, may be eligible for porting or conversion. Porting means that you can take your insurance coverage with you, and conversion means you can change your current policy to a new individual insurance policy. Bear in mind, since you will no longer be an employee, you will be responsible for the continuation of premium payment in the case of both porting and conversion.

To see if your policies are eligible for porting and/or conversion, reach out to the insurance carrier directly.

Commuter Benefits

Depending on how your commuter benefits are set up, you may have a period of time after your termination date to use any remaining funds in your account. If you have any further questions about your account, please reach out to your commuter provider directly.



Budgeting Tips

During unemployment, it can be helpful to set a budget and cut back on whatever expenses you can. Below, find a roundup of some common budgeting tips:

- ✓ Calculate approximately how much you're going to need to spend in the next three months for essentials (like groceries, rent, utilities, and debt payments), and set that amount — or as close to that amount as you can — aside in a savings account
- ✓ Cancel all nonessential app-based subscriptions
- ✓ Cancel all nonessential paid memberships to gyms, yoga studios, etc.
- ✓ Defer as many debt payments as you can (be sure to contact all of your lenders before you stop making payments)
- ✓ Withdraw funds from liquid assets such as stocks, mutual funds, and ETFs (only in case of emergency)
- ✓ Take advantage of pro bono financial planning services, such as:
 - [XY Planning Network](#)
 - [Financial Planning Association](#)
 - [Foundation for Financial Planning](#)



Mental Health Tips

Throughout this transitional period, it's also important to look after your mental health. Here are some expert-recommended tips to help get you started:

- ✓ Create and stick to a daily routine
- ✓ Try picking up a new skill to keep your mind engaged
- ✓ Make an effort to communicate with friends and family regularly via FaceTime, Skype, Zoom, etc.
- ✓ Distance yourself from the news and from the internet
- ✓ Take advantage of teletherapy platforms like [Talkspace](#) and [BetterHelp](#)
- ✓ Take care of your physical health through proper sleep, diet, and exercise



Additional Justworks Resources

We created a [public, collaborative list of helpful links](#) for anyone who has recently lost their job due to the coronavirus outbreak. Make sure to check out the many ideas around honing skills and learning, preparing for the job search, and more.

For additional information and resources specifically about COVID-19, visit the [Justworks Guide to Navigating COVID-19](#).

And finally, explore the Justworks [Help Center](#) and [Blog](#) for more information on a variety of topics around benefits, mental health, and more.

About Justworks

Justworks makes it easier to start, run, and grow a business. Founded in 2012, Justworks, the fastest growing HR technology company, is a modern support system for work and life. With Justworks, entrepreneurs and their teams get access to big-company benefits, automated payroll, compliance support, and HR tools — all in one place. By combining the power of a Professional Employer Organization (PEO) with expert support and simple software, Justworks gives teams of all sizes the confidence to work fearlessly.