

When Recession Brings Layoffs

With indicators showing a continuing recession in February, you may already have experienced a job loss or be wondering what you would do if you got laid off. Losing your job is a traumatic experience that disrupts your life and your financial future. Here are some important things you should know about Rapid Response Teams, if you are being laid off because of the declining economy, or concerned that you might be.

Rapid Response

States have Rapid Response Teams that can come into your work place or work with you individually if you've lost your job due to a plant closing or major layoff. The team can help you find the services you need to get to back to work.

- The Rapid Response team can help you with career counseling, job search assistance, resume preparation, interviewing skills workshops, and information about unemployment insurance, health insurance, training opportunities, and more.
- If your company hasn't already arranged for a Rapid Response team to come to your work site, a group of you can get together to request help.
- Contact your state's Rapid Response coordinator located in your state's department of labor, workforce development, employment security, or career center. State coordinators are listed at http://www.doleta.gov/layoff/rapid_coord.cfm.

Health Insurance

One of the biggest worries for laid-off workers is their health insurance. COBRA is a federal law that might help you keep your group health insurance longer. COBRA costs have been high because laid-off workers had to pay both their own premium as well as what the employer paid, plus an administrative cost of 2 percent. Because of new provisions effective March 1, 2009, your cost for this continuing coverage will be lower.

- If you didn't sign up for COBRA when you were laid-off, you have 60 days in which to sign up. You will get a notice from your employer about how to do so and what the new lower cost to you will be.
- If you were laid off after September 1, 2008, and have been paying full COBRA premiums, your cost will be reduced by 65 percent. This new federal subsidy of health insurance cost will last from March 1 to December 31, 2009. You won't get a rebate on any of the premiums that you have paid.
- The new COBRA subsidy only applies to workers who were laid off. The benefit goes away for individuals with adjusted gross income over \$125,000 and for married couples filing jointly with \$250,000 in income.

Get more help on all these issues and how to reshape your money life when you lose your job in **Help for Laid-off Workers** at www.aarp.org/realrelief, where you will also find other tools and resources to cut costs and stay financially secure in these turbulent times.