



Changing Jobs in 2021? You're Like Most People

Two employee-benefit actions to take before you accept that new job offer

Are you considering changing jobs this year? If not, you're in the minority. A survey conducted by Harris Poll found that the majority (52%) of U.S. workers are considering a job change this year – and 44% have real plans in place to make a change. Think about that. Picture your co-workers or your team. More than half are thinking about leaving.

Of course there are many reasons people look for a new job, beyond just the thought of making more money (although that's a big one). Gone are the days when we work for a single company all our working life. In fact, we often hear that people make at least half a dozen job changes in their lifetime and multiple career changes too.

Trouble is, with all the statistics that are tracked, there really is very little actual data to back up those statements. But, within the U.S. Labor Department resides the Bureau of Labor Statistics and there is quite a bit of data that they do track.

Average Job Tenure

For example, the BLS reported that employees have worked for their current employer for an average of 4.6 years – that alone is telling. Further, how long one works for an employer is affected by one's age and occupation:

- Managers, professionals, and similar occupations reported the longest median tenures at 5.5 years.
- The median tenure of workers in service occupations was the shortest at 3.2 years.
- Workers age 65 or older have an average job tenure of 10.3 years.
- For workers age 25 to 34, the median tenure is 3.2 years.

What Age Will You Be When You Change?

Indeed.com reports that the average age a person changes careers is 39 years old. Seems like a mid-career crisis of sorts doesn't it? Well consider that as people get older, they change jobs less frequently.

- Between the ages of 18 and 24, people change jobs an average of 5.7 times.
- The average number of job changes between 25 and 34 years old is 2.4.
- From 35 to 44 years of age, the average decreases to 2.9 jobs.
- It's 1.9 jobs from 45 to 52 years of age.

Based on those numbers, it can be estimated that most people will have 12 jobs during their lifetime.

And the reasons people change careers and jobs are varied.

Tips Before You Change Jobs

Again, looking for a new job can be stressful. But starting a new job can be exciting. Your future-self will thank you if you take the time to manage your employer-provided benefits while moving from one job to the next. In fact, since it is likely that your new employer-provided benefits will be different from the ones provided by your own employer, not only do you need to compare the two, you need to decide how to manage the changes before you leave your old employer. Here are two really huge things to consider.

Insurance Coverage

Often times there is a waiting period before health coverage begins at your new employer and that wait can be upwards of 30 to 90 days. As such, you want to make sure you are not uninsured, even if you think you're perfectly healthy. So you need to explore whether you can continue under your former employer's health insurance.

Did you know that under a Federal law known as the Consolidated Omnibus Budget Reconciliation Act (COBRA), you can continue as a member of your previous company's health plan for up to 18 months after termination of employment, unless you are terminated for cause?

Of course you should also know that you will be responsible for paying the entire premium, including anything your previous employer contributed. Yes, it will likely be expensive, but it will also likely be cheaper than paying for an individual policy. But make sure you know the rules ahead of time.

For example, you might not be able to continue COBRA if your former employer has fewer than 20 employees. And you do need to advise your employer that you are electing COBRA coverage in writing.

Retirement Plan Rollovers

Are you invested in your soon-to-be-former employer's 401(k) plan? What do you plan to do with those assets? You can reinvest, transfer or even cash in the funds.

But to keep your retirement plan on track, you probably want to consider rolling over the funds into another qualified retirement savings account, such as a rollover IRA. But there are right ways and wrong ways to do this.

First, it depends on how old you are as to whether or not there might be penalties. And you have to make the rollover happen within 60 days too.

It's possible that you might even leave the funds right where they are, but you need to know your soon-to-be-former employer's rules.

You might also roll over the funds into your new employer's retirement options. Again, know the rules.

Check with the benefit administrators at both companies and ask your financial advisor for help. Your future-self will thank you.