



**PROFESSIONAL
FINANCIAL
ADVISORS, INC.**

SENIOR EXECUTIVE TRANSITION CHECKLIST

1) Health (medical insurance)

- Are you on COBRA coverage now?
- Have you compared health plans on an individual basis?
- Does your spouse have coverage under which you are a dependent?
- Do you have medical issues which prevent you from obtaining coverage?
- Do you need to cover all your children? Could one or more be covered by a college health plan?

2) Life Insurance

- Does your group term life coverage continue or expire?
- Do you have personal life insurance to supplement what you have or had in group term?
- Have you done a personal capital needs analysis recently to assess the proper amount of insurance you need?
- Do you have an Irrevocable Life Insurance Trust?

3) Disability Insurance

- Does your group long-term disability coverage continue or expire?
- Do you have personal (non-group) disability coverage?
- Have you done an analysis to assess what would occur financially to you if you were disabled?

4) 401k Plan

- Do you still have 401k assets at one or more companies with whom you have worked in the past?
- Have you established an asset allocation plan with the existing 401k account(s)?
- What are the expenses with your existing 401k assets?
- Have you considered an IRA rollover with existing plan assets?
- Are you aware of rollover/rollout options for 401k plan assets which are in the company stock?
- Does your 401k have Roth IRA assets?

5) Pension Plans

- Are you eligible for a pension plan benefit after 55? If so, how much per month?
- Have you seen a comparison of plan benefits paid at 55, 60 or 65?
- Does the plan allow for the rollover of plan assets to an IRA?

6) Deferred Compensation Plans

- Do you still have deferred compensation plan assets at one or more former employers?
- Do you know/understand the payout features, i.e. when you will receive these benefits and for how long?
- Do you have the ability to change the mix of investments in your plan?

7) Incentive and Non-Qualified Stock Options

- Do you still have stock option wealth with a former employer?
- How many shares are vested and at what price? Do you know the current stock price and the vested value of your stock options?
- Can you exercise your options at any time or are you restricted in some way?
- Do you understand the tax implications of exercising your vested stock option wealth?
- What happens to your stock options if you die/
- Are your options ISO's (incentive stock options) or NQ's (non-qualified stock options)?
- Have you considered a strategy to regularly exercise your vested options?

8) Severance Plan Agreements

- Do you have a severance plan agreement? If so, for how long? What do you receive each month?
- Do you know what your monthly living expenses are?
- Based on all assets in your plan, how long can you live at your current lifestyle?

9) Supplemental Executive Retirement Plans (SERPS)

- Did you have a SERP at a prior employer?
- Are the assets of the SERP still at the former employer?
- How much do you have in your SERP plan?
- What are the provisions of the plan for paying out benefits to you?

10) Employee Stock Ownership Plan (ESOP)

- Did you have an ESOP Plan at your prior employer?
- Are your ESOP assets still there?
- How much do you have in your ESOP plan?
- Are you aware of special tax options related to ESOP assets?

11) Liquidity and Financing

Have you evaluated your short-term (one-year) financial position to determine if you can handle a one-year transition?

- Cash Flow Analysis
- Short-term liquidity
 - i. Cash reserves
 - ii. Credit lines
 - iii. Mortgage refinancing options
- Debt
- Evaluate dependent needs
 - i. College costs and loans
- Special Medical Needs

12) Transition cost evaluation

- Company paid expenses that are now personal
- New expenses related to unemployment search activities

13) Federal and State Tax Analysis and Evaluation

- Withholding
- Capital gains and Losses
- Severance agreement implications – consultant vs. employee
- Advantages of immediate set up as a consultant including new entity formation