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A FIELD GUIDE · 2026 EDITION

FOR PROFESSIONALS CHANGING JOBS

The Job Pivot *Checklist*

Six financial decisions to make on purpose before your next chapter begins.

A job change is one of the few moments when several financial decisions come due at once. Some carry deadlines, and a few are hard to undo once they pass. This guide walks through each one in the order it usually arrives.

01 The big picture

02 Liquidity

03 Benefits

04 Retirement accounts

05 Equity and vesting

06 Tax and lifestyle

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INTRODUCTION

A new role brings decisions that the offer letter does not mention.

Whether you are stepping into a promotion, making an intentional pivot, or moving toward retirement, a career change is a financial turning point. The new role usually gets the attention. The technical side of the move, from equity vesting windows to gaps in benefits, is where the costly oversights tend to happen.

The six decisions below are worth making before the move rather than after it. Use this page as your checklist, and the pages that follow for the reasoning behind each one.

- ☐ *01* **Realign with the big picture**
  Write down what this move is for before you sign the offer.
- ☐ *02* **Secure liquidity for the income gap**
  Hold at least one month of fixed expenses in cash, and bring your emergency fund close to six months.
- ☐ *03* **Audit benefit continuity and risk**
  Plan health coverage between employers, use up your FSA, keep access to your HSA, and check life and disability conversion options.
- ☐ *04* **Decide what happens to your retirement accounts**
  Compare leaving the plan, rolling it to your new employer, or rolling it to an IRA, including the tax side. Raise your contribution rate from the first paycheck.
- ☐ *05* **Review equity and vesting schedules**
  Know what vests, what you forfeit, and when any post-termination exercise window closes.
- ☐ *06* **Calibrate tax strategy and lifestyle**
  Update your withholding for the new income, and direct the raise toward a goal before it is absorbed.

DECISION 1 OF 6

01 Realign with the big picture

In the rush of interviewing, negotiating offers, and wrapping up projects, it is easy to get swept up in the logistics of a career change. We focus on the "what" and the "how" of the new role and neglect the "why."

A career transition is one of the few natural pause points in life where you can step back and evaluate the trajectory of your finances. It is a moment to ask whether this move brings you closer to your own definition of success, or simply offers a change of scenery.

This step is about more than comparing salaries or job titles. It is about understanding how this professional shift fits within your broader life goals. Are you looking to accelerate your savings toward an earlier retirement? Are you prioritizing flexibility for a growing family? Or are you taking on a high-growth opportunity that asks for a temporary sacrifice in work-life balance?

A goal you have not written down is a hard one to plan toward.

If you do not know where you are trying to go, it is difficult to know whether a new job is the right vehicle to get you there. Knowing your specific financial and personal objectives puts you in a strong position. It lets you make the smaller decisions, whether negotiating vacation time or choosing between equity and cash, in a way that moves you toward that end.

Before you sign the offer letter or walk into the new office, take the time to document your goals. That clarity gives every other decision in this guide a reference point, so each move you make during the transition is intentional and aligned with the long term.

DECISION 2 OF 6

02 Secure liquidity for the income gap

One of the most common surprises during a job transition is the disruption of cash flow. Even if you are moving to a position with a significantly higher salary, the timing of your paychecks can create a temporary liquidity crunch.

You might leave your current role in the middle of a pay cycle and not receive your first paycheck from the new employer for several weeks. If your new company pays monthly rather than biweekly, the gap can stretch longer. Bills continue to arrive while income has paused.

To navigate this smoothly, review your short-term liquidity before you leave your current position. Make sure you have enough cash on hand to cover all fixed expenses, such as mortgage or rent, utilities, and debt payments, for at least one full month without relying on incoming funds. That keeps you from leaning on high-interest credit cards or selling long-term investments to cover daily costs.

HOW MUCH TO HOLD

A common guideline is three to six months of living expenses in a liquid, accessible account. During a career change, we suggest sitting closer to six.

This transition is also a good time for a health check on your emergency fund and your household “burn rate.” The extra cushion protects you not only against payment delays but also against costs that tend to arrive with a new role, such as commuting, a new wardrobe, or relocation expenses.

By securing your cash flow now, you can start the new job focused on the work rather than on the timing of your next deposit.

DECISION 3 OF 6

03 Audit benefit continuity and risk

Your employee benefits package is a crucial part of your financial safety net, and a job change is the point where that net is most likely to fray.

The most immediate concern is usually health insurance. Even if your new job offers excellent coverage, there is often a waiting period before it takes effect, so you need a plan for the interim. You may elect COBRA coverage from your previous employer, join a spouse's plan, or buy a marketplace or short-term policy. COBRA can be expensive, since you pay the full premium plus an administrative fee, but the cost of being uninsured during a medical emergency is far greater.

Beyond health insurance, be mindful of your ancillary benefits. Flexible Spending Accounts (FSAs) generally operate on a "use it or lose it" basis. If you leave with money still in your FSA, you typically forfeit it. Health Savings Accounts (HSAs), by contrast, are portable, and that money belongs to you. Make sure you have the login information to manage your HSA once you are off the company network.

Finally, do not overlook income protection. Many professionals rely entirely on group life and disability insurance provided by their employer, and that coverage typically ends when you leave. Check whether your old policies offer a conversion option that lets you take the coverage with you as an individual policy.

At the same time, review the limits at your new firm. If the new benefits are capped below what your household needs, you may be underinsured. Closing these gaps keeps your family protected regardless of your employment status.

DECISION 4 OF 6

04 Decide what happens to your retirement accounts

Leaving an employer triggers a decision about the retirement assets you have built in their 401(k) or 403(b) plan. For many people the default is to do nothing and leave the account behind.

That is sometimes a reasonable choice, but it can lead to "orphaned" accounts scattered across several institutions, which makes it hard to track your overall allocation and performance.

You generally have four options. You can leave the assets where they are, if the plan allows it. You can roll them into your new employer's plan to consolidate. You can roll them into an Individual Retirement Account (IRA), which typically offers a wider range of investment choices and more control. Or you can cash out, which is rarely advisable because of the taxes and potential penalties involved.

The right choice depends on the specific plans. Compare the administrative fees and fund expense ratios of the old plan and the new one, along with the investment options in each. Sometimes an employer plan offers institutional pricing you cannot get on your own. Other times an IRA offers flexibility and lower costs that a legacy plan lacks.

THE TAX SIDE OF A ROLLOVER

Moving pre-tax money into an IRA can complicate future backdoor Roth contributions. And a year with a gap in income can be one of the less expensive years to convert part of a pre-tax balance to Roth. Both are easier to plan before the money moves.

This is also a good time to review your savings rate. If the new job comes with a raise, set your contribution percentage higher from the very first paycheck. You save more without ever feeling a drop in take-home pay compared with your previous job.

DECISION 5 OF 6

05 Review equity and vesting schedules

For professionals in technology, executive roles, or startups, equity compensation is often a significant share of net worth. Stock options and Restricted Stock Units (RSUs) come with rules that are tied directly to your employment status.

When you prepare to leave, start by reviewing your vesting schedule. Know exactly which shares you own and which you will forfeit on resignation. In some cases staying a few more weeks means vesting another tranche, so the timing of your exit matters.

If you hold vested stock options, understand the rules for exercising them. Most companies provide a post-termination exercise window, often 90 days, during which you must buy your vested options or lose them. Missing the deadline can mean losing that value entirely. Have a plan for how you will fund the purchase and for the tax bill that may follow.

For equity you already own outright, a job change is a sensible time to look at concentration risk. If a large share of your net worth sits in your former employer's stock, you are highly exposed to a single company. Diversifying can help protect long-term wealth, though selling low-basis shares has its own tax cost, and how quickly to do it is a decision in itself.

IF CALIFORNIA IS INVOLVED

Equity earned while you worked in California can remain subject to California tax when it vests or is exercised, even after you move. If a relocation is part of the new role, look at the move and the vesting schedule together.

Because equity compensation can involve the Alternative Minimum Tax (AMT) and other intricate rules, this is an area where careful planning and professional guidance help avoid costly errors.

06

DECISION 6 OF 6

Calibrate tax strategy and lifestyle

A new job often brings higher compensation, and higher income calls for updated tax planning. The United States has a progressive tax system, so as you earn more, your last dollars are taxed at higher rates.

Update your W-4 with your new employer. If you do not adjust for the new income level, you may face a surprise tax bill in April. If too much is withheld instead, you are giving the government an interest-free loan for the year.

IN CALIFORNIA

State withholding is set separately on Form DE 4. If you only update the federal W-4, your California withholding may not keep pace with the new income.

Beyond the mechanics of taxes, the psychology of a higher salary matters just as much. “Lifestyle creep” is the tendency for spending to rise to match income. A $20,000 raise can disappear into slightly nicer dinners, a more expensive car lease, or premium subscriptions without anyone really noticing.

To counter it, treat the raise as a tool for financial freedom rather than an expansion of the budget. The best time to save a raise is before you get used to seeing it in your checking account. Consider automating transfers so a portion of the new income goes directly into savings or investment accounts.

Setting those guardrails early means your work turns into lasting wealth rather than a temporary increase in spending, and it ties your daily habits back to the goals you set in the first step.

NEXT STEPS

The checklist gives you the order. The specifics are where it gets decided.

A good transition and a great one usually differ in the details: the tax treatment of your stock options, the fine print of the new benefit plan, and whether the move fits what you want the next ten years to look like.

That is the work we do. Financial North Partners is a wealth management and financial planning firm based in Stevenson Ranch, in the Santa Clarita Valley. We work with families nationwide, though most are Californians or former Californians, and we spend more time on taxes than on markets.

HOW THE FIRST TWO CONVERSATIONS GO

1

Intro

A twenty-minute virtual conversation to see whether we are a good fit. We will learn about your goals and what prompted you to reach out, and we will tell you how we work and what we charge. No preparation is needed.

2

Findings

Ahead of this meeting you will send your most recent tax return and current investment statements, and we will work through them before we meet. Afterward, you will receive a written proposal covering the work we would do and what it costs.

Start with a conversation.

Twenty minutes by video, and nothing to prepare. No cost, no obligation, and if it is not a fit, we will say so.

Schedule an Intro Meeting

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