

Weekly Insight  
February 9, 2026

## Worried About Layoffs? What To Do Before Your First Missed Paycheck



### This Week's Focus

Layoffs are in the news again. In January 2026, employers announced 108,435 job cuts, the worst January since 2009.

**If you are hearing layoff talk at work, you need a short plan before money and benefits change.**

This edition of SFL Weekly Insights is written for the hard-working people who are worried about layoffs, expecting a layoff, or newly laid off. In this edition, you will learn what to do first, how to protect health insurance after job loss, and how to avoid costly 401(k) mistakes while you decide your next move.

### What You Will Learn



The 7-day plan before your first missed paycheck



How to protect health insurance after job loss



What to do with your 401(k) after a layoff



A one-page safety check to guide your review



# Layoff Plan:

## Protect Your Cash, Health Coverage, and Your 401(k)



### **Why layoff news hits blue-collar families hard**

Layoffs are rising again. **One major report counted 108,435 job cuts announced in January 2026, the worst January since 2009.** For blue-collar workers, a layoff can hurt faster than it does for many office jobs. Hours can change with the season. Overtime can disappear. And health insurance is often tied to the job. So the problem is not only “lost work.” The problem is speed. This page is a guided plan. It shows what to handle first, so you do not make a rushed money move.

### **The first rule: stop the money leak before it starts**

When people hear “layoffs,” many do one of two things. They freeze, or they panic-spend, and both lead to trouble. **Here is the safer move.** Treat the next 30 days like a short work project. **Start by asking: “What must be paid no matter what?”** That list is usually: housing, utilities, food, gas, insurance, and minimum debt payments. Now look at the checklist page for this week. The first items are not random. They are the exact traps that hit hardest during a job gap: no emergency fund and living paycheck to paycheck. If those are true for you, the goal is not perfection. The goal is a clear plan that keeps you steady long enough to make good choices.

### **Protect your health coverage before the gap happens**

If your job coverage may end, do not wait until the last day. Most people have two common paths after losing job-based coverage: COBRA: This can let you keep the same plan for a period of time. **You usually have 60 days to choose COBRA after job coverage ends, and coverage can often last 18 to 36 months.** You may also pay the full premium plus a small fee, so cost matters. Losing job-based coverage can trigger a Special Enrollment Period for marketplace coverage options. **Many people must apply within 60 days of losing coverage.** Some can also qualify if they expect to lose coverage in the next 60 days. **Important note if you are 65 or older: COBRA and Medicare rules can overlap.** Medicare says COBRA is not considered “group health plan coverage” for Part B timing, and you may have an 8-month window after you stop working or lose coverage to sign up for Part B without a penalty. Missing that window can create gaps and penalties. This is why health coverage is handled early. It removes fear. It also prevents surprise bills.

### **Protect your 401(k) before you touch it**

A layoff can make a 401(k) look like a rescue button. But it can also become a tax mistake if you move fast. **This is what the IRS says in plain terms:**

- If a retirement plan sends the money to you, the plan may be required to withhold 20% for federal taxes, even if you plan to roll it over later.
- If you are under 59 and a half, you may also face an extra 10% early distribution tax in many cases, unless you qualify for an exception.
- A “direct rollover” often avoids that 20% withholding because the money goes straight to the new account instead of to you.

This connects to the upcoming checklist item about “ignoring retirement savings.” Many workers do not mean to harm their future. They get squeezed in the present. The goal is to protect retirement money so it can keep working for you.

### **File for unemployment and keep the process moving**

If you were laid off or hours were cut, it may be time to look at unemployment benefits. Kansas says eligibility is decided case by case. If your claim goes into review, Kansas also says you should keep submitting your weekly certifications while you remain unemployed. This is a simple step, but it can protect cash flow while you plan your next move.

### **Layoffs create fast decisions. Fast decisions can create expensive mistakes.**

On the next page, you will do a short “Layoff Readiness” check. If your score is high, the next step is simple: schedule your no-cost review so you can get a clear plan written down before fear makes the decision for you.



# Laid Off or Worried?

## Use This **10-Minute** Retirement Damage Check

**SFL** Solutions  
For  
Life

**Updated for 2026:** Layoff announcements jumped to **108,435** in January 2026, **the worst since 2009.**

### **Self-Evaluation Question #1) Circle where you are today**

Worried | Notice given | Laid off already

### **Self-Evaluation Question # 2) Write your 3 key dates**

Last day worked: \_\_\_\_\_

Health coverage ends: \_\_\_\_\_

Last paycheck or severance date: \_\_\_\_\_

### **Self-Evaluation Question #3) Check what is true for you (Yes or No)**

- I do NOT have emergency savings for a job gap.
- I am living paycheck to paycheck.
- I am behind on bills or using credit cards to get by.
- I might lose health insurance soon.
- I do not know my best next move with my 401(k).
- I am thinking about taking money out of my 401(k).
- I feel overwhelmed and need a clear plan.

### **Self-Evaluation Question #4) Read this before you touch your 401(k)**

If retirement money is paid to you, 20% can be held back for taxes, even if you plan to move it later. If you are under 59½, you may also owe an extra tax unless an exception applies.

### **See How You Scored (count your checkmarks)**

**0-2 checked:** You are more **stable**. Confirm your next steps.

**3-4 checked:** You are **at risk**. A written plan matters.

**5+ checked: Urgent.** Book now while decisions are still in your control.

### **Bring this page to your No-Cost Laid-Off Plan review (even screenshots help)**

Plan or benefits info: \_\_\_\_\_

Last pay stub: \_\_\_\_\_

401(k) statement: \_\_\_\_\_

Top 3 monthly bills: \_\_\_\_\_

**CLICK  
HERE**

**Book your no-cost Layoff Plan Review:**  
Call 785-452-8039 or go to [SolutionsForLifeKS.com/book-appointment](https://www.SolutionsForLifeKS.com/book-appointment)

## 1. No Emergency Fund

- **Action Step:** Start building an emergency fund by setting aside a small portion of each paycheck. Aim for at least 3-6 months' worth of living expenses.
- **Why It's Important:** An emergency fund shields you from unexpected expenses like medical bills or car repairs, helping you avoid debt.

Confirm

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## 2. Living Paycheck to Paycheck

- **Action Step:** Set up automatic transfers to a savings account with each paycheck to ensure you save before spending.
- **Why It's Important:** Creating a financial cushion helps you cover future needs and avoid financial stress.

Confirm

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## 3. Ignoring Retirement Savings

- **Action Step:** Open or contribute to a retirement account like a 401(k) or IRA. Commit to regular contributions.
- **Why It's Important:** The earlier you save, the more you benefit from compounding interest, ensuring financial security in retirement.

Confirm

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## 4. Not Using 401(k) Match

- **Action Step:** Maximize your 401(k) contributions to take full advantage of your employer's matching program.
- **Why It's Important:** Employer matching is essentially free money that boosts your retirement savings.

Confirm



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