CHANGING JOBS?

TOP FINANCIAL CONSIDERATIONS BEYOND SALARY

How many jobs do you expect to hold by the age of 50? Five? Eight? If history is any indication, plan for about a dozen. The last wave of Baby Boomers, people who are today in their early to mid 50s, have held an average of 11.7 jobs[1] throughout their adult lives, with nearly half of them by the age of 25.

So whether you're just starting to put out feelers or have already made the decision to take on a new challenge, take the time to think beyond just your salary. You'll want to carefully evaluate the value of benefits such as retirement savings plans, insurance and tuition reimbursement that are often overlooked and are equally important. And once you've taken a new position, you'll need to plan strategically for the retirement assets you've accumulated and for any increase in salary you expect to receive.

By taking a broader view of the financial picture for each opportunity, you'll be better prepared to make informed choices today that will help lead you to the financial future you desire. This white paper points the way, with five key considerations to help ensure your next move is financially sound.

- Consideration 1: Evaluate the major insurance benefits.
- Consideration 2: Understand your new employer-sponsored retirement plan.
- Consideration 3: Factor in additional perks, which can add up quickly.
- Consideration 4: Decide what to do with your previous company's retirement plans and company stock.
- Consideration 5: Bank your salary increase.

DID YOU KNOW?

Salary typically accounts for just 70 percent of an employee's total compensation. Benefits make up the remaining 30 percent.[2]

[1] Economic News Release, BLS, March 2015, http://www.bls.gov/news.release/nlsoy.nr0.htm
[2] Economic News Release, BLS, March 2015, http://www.bls.gov/news.release/ecec.nr0.htm

Northwestern Mutual®

CONSIDERATION #1: EVALUATE MAJOR INSURANCE BENEFITS.

As you look beyond salary to assess the pros and cons of a career opportunity, start by evaluating the major insurance benefits that may be offered or available to you—health insurance, disability income insurance and life insurance.

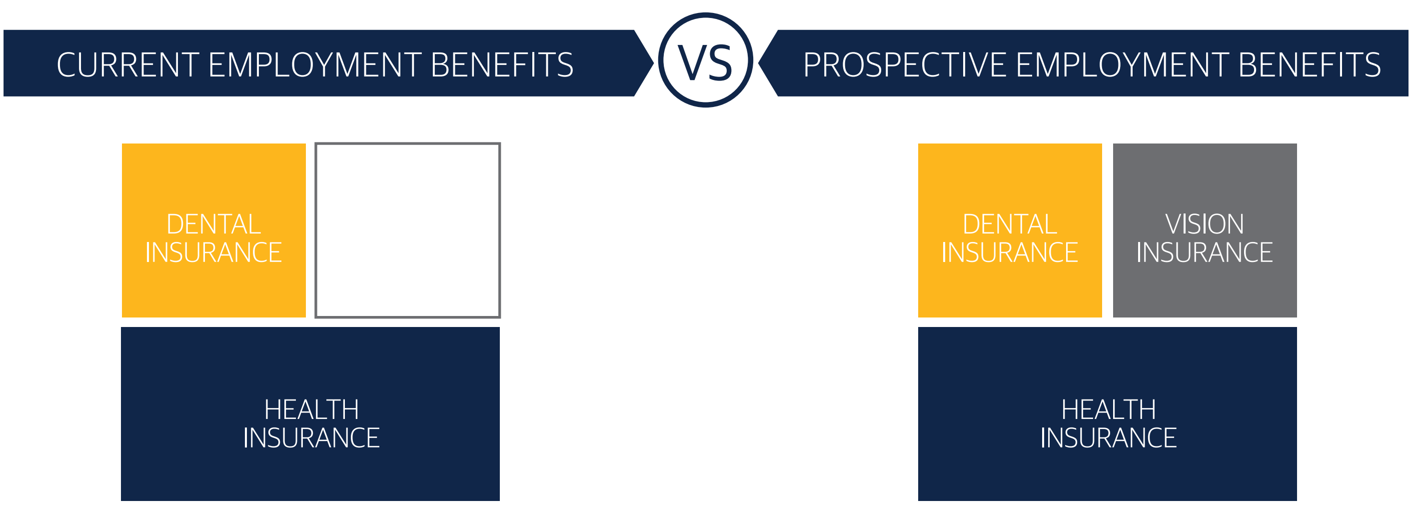
If you're young and healthy, these benefits may not be at the top of your priority list. Yet without them, a single health event could be financially devastating. So it's important to fully understand the value of the benefits package that's being offered, how those benefits compare to what you may have in your current position, and how they can help to support your goals for the future.

40 percent of survey participants said they would give up a wage increase to maintain their current health coverage.[3]

HEALTH, DENTAL AND VISION INSURANCE

The cornerstone of any competitive benefits package is health insurance, and it's the benefit employees seem to care most about. In a recent industry study[3], 40 percent of survey participants said they would give up a wage increase to maintain their current health coverage.

Make sure you take the time to compare health insurance benefits in detail. For example, in addition to offering medical coverage, does the new insurance package include vision and dental insurance? Those often overlooked expenses can add up quickly. And if they are offered, how do they compare to the insurance provided by your current employer?



[3] Employee Tenure Trends, February 2014, http://www.ebri.org/pdf/notespdf/EBRI_Notes_02_Feb15_Tenure-WBS.pdf

The following chart may help you ensure you're considering every aspect of care as you compare plans. If you uncover gaps, you'll have to decide how, if at all, you want to bridge them.

WHAT DOES THE MEDICAL PLAN COVER AND WHAT IS THE COVERAGE?	Current Employer Plan		New Employer Plan	
	Covered Service (Yes/No)	Coverage (Co-pays, deductible, co-insurance)	Covered Service (Yes/No)	Coverage (Co-pays, deductible, co-insurance)
Routine preventive visits (annual physical, flu shots, mammogram, etc.)				
Prescription medication				
Emergency room visits				
Hospitalization (inpatient and outpatient expenses)				
X-ray and lab tests				
Maternity and pediatric wellness care				
Durable Medical Equipment (DME)				
Mental health/substance abuse services (inpatient and outpatient)				
Physical, occupational, cognitive and speech therapy				
Oral surgery (non-routine)				
Eye exams/surgery (non-routine)				
Chiropractic care				

When comparing coverage you'll also need to determine if your current medical team is in-network or out-of-network for your new employer. Coverage and costs can differ significantly if the provider is out-of-network.

WHAT DOES THE MEDICAL PLAN COST?	Current Plan (Amount)	New Plan (Amount)
Monthly premiums	$	$
Co-pays	$	$
Prescription drug expenses	$	$
Deductible (the amount you pay each year before the insurance company starts paying its share)	$	$
Out-of-Pocket maximum (the most you will need to pay in one calendar year for medical expenses—typically includes the deductible)	$	$

Beyond the dollars-and-cents comparison, check to see if the potential employer's plan has a waiting period before you can get coverage; it may be up to 90 days before you become eligible. And if that's the case, you'll want to make sure you're covered in the interim.

- If you're single and under the age of 26, you may be able to obtain health care coverage under your parents' plan.
- If you're married, your spouse's health care plan may be an option.
- You may be able to obtain coverage through the Consolidated Omnibus Budget Reconciliation Act (COBRA), which allows former employees and their dependents the option to continue their group health insurance coverage under the company's group rate. Keep in mind, however, the out-of-pocket expense under COBRA is significantly more than the insurance premium amount for active employees because the employer does not share the premium cost.
- You also could obtain your own temporary coverage under a short-term medical plan. As the name suggests, short-term plans typically last 1 to 12 months and are available through a number of health insurers.
- If your new employer does not offer health insurance, or if you're setting out on your own as a freelancer or entrepreneur, you can buy health insurance from the government-sponsored Health Insurance Marketplace. With the passage of the Affordable Care Act, you're required to have minimum essential coverage, or you may have to pay a penalty and pay all of the costs for your health care.

DISABILITY INCOME INSURANCE

If you were asked to name your most valuable financial asset, what would it be? Your car? Your home? Your 401(k)? None of those things are possible without income.

That's why your ability to earn an income is your most valuable financial resource. So as you consider changing jobs, one of your primary goals should be to protect your earning power. Think about what would happen if you suddenly weren't able to earn a living because of illness or injury. Not only would you have the stress of meeting everyday living expenses, you might also have to put other financial goals, like saving for retirement, on hold. Disability income insurance replaces some of your income if you're unable to work, so you can maintain your lifestyle without having to tap into or even deplete your savings.

If your new opportunity offers short- and/or long-term disability income insurance (commonly referred to as "group disability insurance") as a benefit, participate. It's a great way to lay the foundation for protecting your earning power. However, it's important to know that most employer-sponsored plans cover only a portion of your income, typically 50-60 percent, and this is often subject to income tax. Plus, group coverage generally isn't portable, meaning it will likely end when you leave your company.

"IT WON'T HAPPEN TO ME"

Most people think something catastrophic needs to happen in order to take advantage of disability insurance. But in reality, the majority of disabilities are caused by a heart attack or stroke, cancer, back problems or maternity complications.

1 OUT OF 4

will be disabled for 3 or more months during their careers.

U.S. Social Security Administration, Fact Sheet, February 2013

To further protect yourself, you may want to supplement your new employer's group coverage with an individual policy. Individual disability income insurance can help to close the gap between what's covered by your group policy and your monthly take-home pay. Below we show a hypothetical scenario for someone with an annual salary of $90,000 who experiences a long-term disability event.

	Annual Pay ($90,000)	Taxes (28%)	After-tax Pay
Current Pay (Monthly)	$7,500	$2,100	**$5,400**
With disability			
Group Disability Benefit	$4,500 (60% of $90k/12)	$1,260	**$3,240**
Individual Disability Benefit	$1,080	0*	**$1,080**
Total Monthly Pay with Group DI and Individual Disability Income Insurance			**$4,320**

* Individual insurance benefits are typically not taxed since the individual, not the employer, is paying the premium.

Hypothetical scenario assuming $90,000 pre-tax income, 28 percent tax rate and 80 percent total income replacement available. Group DI is employer-paid, so the benefit is taxable. Supplemental DI is paid with after-tax dollars, so the benefit is not taxed.

An individual disability income insurance policy is also portable, which means you own the policy; and the coverage will follow you to wherever you work, even if you work for yourself. In fact, individual disability income insurance will be particularly important if your next job or career move has you setting up shop as a contractor or consultant, because if you get injured, there's no backup.

Before you purchase a policy, however, talk to a financial professional. Individual disability income policies can vary in the amount of income they provide, how long they provide it, and even the way in which they define disability. So get expert advice to help determine the most appropriate option for you.

LIFE INSURANCE

There's a good chance your next employer will offer life insurance as a benefit. The U.S. Bureau of Labor Statistics reports that 72 percent[4] of full-time, private industry workers across the country had access to life insurance benefits. And among those who had access, the vast majority—98 percent—took advantage of the benefit.

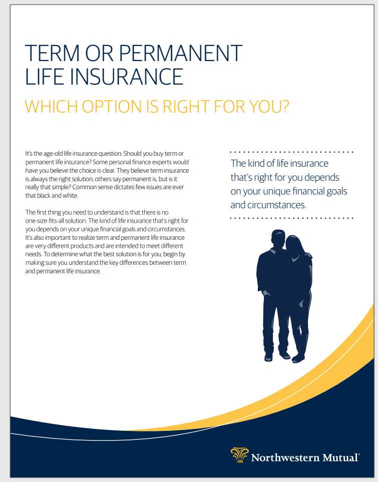
In most cases, employers offer a baseline amount of coverage and typically offer employees the opportunity to purchase additional insurance coverage through the employer-sponsored life insurance (also referred to as "group life insurance") program. This can be an especially attractive benefit because basic group life insurance often costs less than what you'd pay for a similar amount of individual protection. Plus, basic group life insurance plans do not typically require participating employees to undergo medical exams.

[4] Employee Benefits in the United States, BLS, July 2014, http://www.bls.gov/news.release/pdf/ebs2.pdf

And while participation in employer-sponsored life insurance policies is high, employees may not take the time to fully understand the benefit since it's often an auto-enrollment benefit and typically includes a certain level of coverage for free. For example, most group life insurance is annual renewable insurance, which means it stays in place only if you opt in for the benefit each year you are employed by that company. When you leave your job, the coverage typically ends. So as you evaluate new job opportunities, make sure you dig deep enough to understand the value of the life insurance that's being offered and whether it fully meets your needs.

In many cases, group life insurance will not be enough total coverage. If you decide you need more protection than what's offered by your employer's life insurance option—either a great amount of insurance or a different type of insurance—you will want to evaluate purchasing your own life insurance policy. Individually owned life insurance covers you no matter where you work and may have more product options offered than through your employer coverage. A financial professional can help you determine how much life insurance you need based on your personal and financial goals.

If you do choose to buy an individual policy, don't procrastinate. When you are young and healthy, there's a greater likelihood that you'll be able to obtain insurance and at the most competitive pricing. Waiting—even for a few years—could potentially disqualify you from obtaining insurance, and you'll lose out on opportunities to grow the value of your policy if you had purchased permanent life insurance.



What type of life insurance is right for you?

Download our white paper to learn more. ▶

FLEXIBLE OPTIONS WHILE YOU'RE LIVING

Many do not know about the flexibility that life insurance brings. In addition to the death benefit, your permanent life insurance can help:[5]

Cover an emergency

Pay for a child's education

Supplement your retirement

Make a down payment

Fund a new or existing business

Meet long-termcare needs

52% of people aged 25-54 believe that one of the best decisions they will have to make in coming years will be: making sure my family is protected.[6]

[5] Life Insurance Barometer, LIMRA 2014
Accessing the cash value or deathbenefit of your policy could reducethe death benefit, affect other policyfeatures or result in a taxable event.

[6] Northwestern Mutual's Planning and Progress Study 2013

Here's an example of the financial impact of waiting to buy permanent life insurance. Let's say a friend, Jeff, decides to purchase a $250,000 policy (90 Life Policy with Premier pricing). If he buys the policy at age 28, his annual premium will be $2,881.20. If he waits until he's 35 to take out the policy, his annual premium increases more than 30 percent—to $3,785.12.

Now let's peer into the future. At the age of 55, how will the two scenarios stack up? The 28-year-old Jeff will have paid more in total premiums ($2,763 more) because he paid in for a longer period of time. But he still ends up ahead. At 55, he'll have $31,444 more in accumulated cash value and $52,500 more in total insurance than if he'd purchased the policy at age 35.*

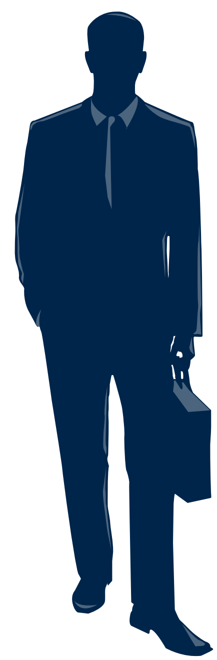
INSURANCE AMOUNT: $250,000 | INSURANCE TYPE: PERMANENT

Annual Premium When Purchased: at age 28 $2,881.20

Annual Premium When Purchased: at age 35 $3,785.12

When evaluating the performance of the policy at age 55, the 28-year-old would experience the following outcomes:

$2,763 More in premium payment through age 55 » **$31,444** More in cash surrender value of the policy » **$52,500** More in total insurance than if purchased at 35



CONSIDERATION #2: UNDERSTAND YOUR NEW EMPLOYER-SPONSORED RETIREMENT PLAN.

In addition to insurance benefits, your new job wish list probably includes access to a retirement savings plan. The good news is, you're likely to find one. According to recent industry research, 74 percent of full-time workers[7] have access to employer-sponsored retirement plans, and more than 80 percent of employees participate in them. If you work for a large company (500 employees or more), access jumps to 89 percent.

So, if your new employer offers a 401(k) or Roth 401(k), take advantage of the opportunity to save for retirement and contribute at least enough to earn the company match, if there is one. What's a company match? As part of your package of benefits, your new employer may offer to contribute to your retirement account. Typically, companies that offer a match will match a fixed percentage of the contributions you make (for example, 50 percent of your contributions) up to a certain amount (for example, up to 6 percent of your salary). It's free money that can have a significant impact on your retirement plan's bottom line.

[7]Employee Benefits in the United States, BLS, July 2014, http://www.bls.gov/news.release/pdf/ebs2.pdf

* Disclosure: Cash value and total insurance amounts include non-guaranteed dividends.

HOW A COMPANY MATCH WORKS

Suzanne is taking a new job and earning $90,000 per year. Her company offers a 50 percent match on the first 6 percent she contributes. Here's how the company match contributes to her overall retirement savings:

Suzanne's salary:
$ 90,000

Suzanne's contribution:
$ 5,400
(6 percent of $90,000)

+

Company contribution:
$ 2,700
(50 percent of 6 percent)

=

Total contribution:
$ 8,100

Be sure to inquire about the vesting period for company matches. If you're someone who is likely to make another move within a few years, you'll want to understand how long you'll need to stay to be able to take all of the company contributions with you when you leave.

Once you've determined how much your company will match and what you'll contribute, the next step is to choose how you'll invest your savings. Most plans offer individual mutual funds along with target date mutual funds. Target date funds are mutual funds that are built with asset allocations based on a risk tolerance tied to when you will retire. For example, if you are in your 30s today, you may want to choose a fund with a target date of 2040. These mutual funds are designed to match the typical asset allocation model for someone within your age range, with allocations becoming more conservative over time.

Finally, when evaluating the funds within the plan, you'll want to take a look at the fees that each of the funds charges. Similar classes of funds can have dramatically different fee structures, which can significantly impact your return on investment and, ultimately, the amount of money you'll have at retirement.

If an employer-sponsored plan isn't available, or if you're going out on your own, you'll want to set aside retirement savings in an individual retirement account, such as a Roth IRA, a traditional IRA or an annuity. A financial professional can review your retirement plan options, help recommend investment selections and implement an individual plan if one is not offered by your employer.

CONSIDERATION #3: FACTOR IN ADDITIONAL PERKS, WHICH CAN ADD UP QUICKLY.

Beyond insurance and retirement plans, there are a number of other workplace perks that can positively impact both your lifestyle and your financial situation when changing jobs. Ask potential employers if these are offered as part of the benefits package. And if they're not, you can always try to negotiate their inclusion.

- **Paid time off:** Paid time off (PTO) is often based on years of service and increases with tenure. In the U.S., the average number of days per year offered in PTO plans ranges from 14 days for employees with less than a year of service to 26 days for employees with 20 or more years of service.[8]

- **Wellness:** Does the workplace reward its employees for maintaining good health? Does it offer a fitness center or access to professionals such as personal trainers or nutritionists? In 2014, 54 percent of full-time employees in the U.S. said they have access to wellness programs.[9]

- **Education:** Will the employer pay for some or all of your college tuition? Approximately 50 percent of U.S. employers offered graduate and undergraduate educational assistance benefits in 2014, spending an average of $5,000 per employee per year.[10] Not only is tuition assistance a great short-term perk, the new skills and credentials you earn will increase your marketability and continue to benefit you well into the future.

- **Professional development:** Although many employers have cut back on covering designation and membership fees since the recession, 60 percent of employers still offer some form of career development.[10]

- **Technology:** Will a potential employer pick up the cost of a tablet, cellphone and calling plan? Many companies already do, and more are sure to follow. But you'll want to consider the impact on work/life balance if your company is helping you stay "connected."

- **Parking, mileage and car insurance:** In some cities, parking can cost you as much as $400 per month. When evaluating a company move, make sure you're taking into consideration your transportation options, including mileage (57.5 cents per business mile) and parking reimbursement.

Whether these benefits add to your bottom line or to your quality of life, they're worth pursuing as you consider your next job or career opportunity.

DID YOU KNOW?

If you leave a company within a certain time frame, you may be required to reimburse the cost of tuition assistance or professional development that was provided to you.

[8] SHRM Survey, May 2014, http://hr.blr.com/HR-news/Benefits-Leave/FMLA-Leave-of-Absence/SHRM-survey-says-majority-of-employers-offer-paid-#
[9] Quality of Life Benefits, BLS, March 2014, http://www.bls.gov/ncs/ebs/benefits/2014/ownership/govt/table40a.pdf
[10] Trends in Workplace Professional Development, SHRM, retrieved July 2014, http://www.shrm.org/Research/FutureWorkplaceTrends/Documents/Visions%202014%20Issue%203.pdf

CONSIDERATION #4: DECIDE WHAT TO DO WITH YOUR PREVIOUS COMPANY'S RETIREMENT PLANS AND COMPANY STOCK.

As you change jobs, you'll have to make some important decisions about what to do with assets you accumulated during your previous employment.

YOUR EMPLOYER-SPONSORED RETIREMENT PLAN

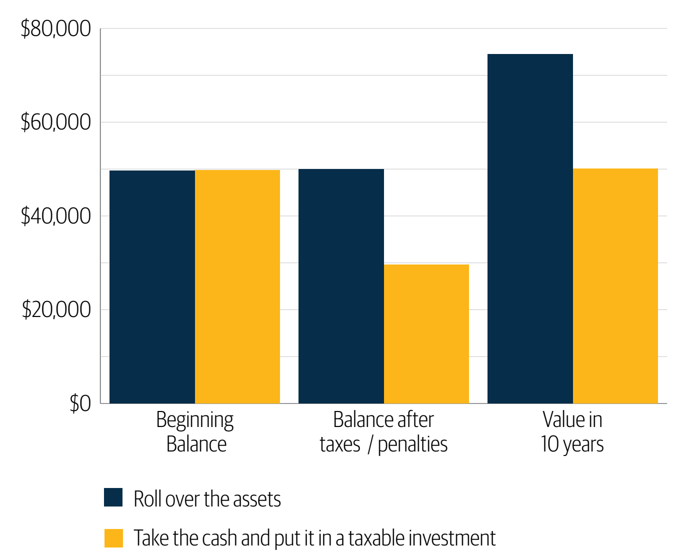
If you participated in your previous employer's retirement plan, such as a 401(k) or 403(b), you'll want to first assess whether you are fully vested in the plan. If you leave before being fully vested, you may lose out on a significant amount of money.

Once you do change companies, you'll need to decide what to do with the money you've accumulated in your previous employer-sponsored plan. A 401(k) or 403(b) gets special tax treatment, so as you consider your options for what do to with the savings, you'll have to follow certain rules to make sure you don't get hit with extra taxes or penalties. Your options include:

- **Take no immediate action.** Your previous employer may allow you to keep your assets in your existing retirement plan for a period of time after you leave, though there's usually a minimum balance requirement (typically $5,000 or more). If you keep your assets in your existing account, your investment options are limited to what's in the existing plan, and you will no longer be able to contribute to the account.

- **Roll it over into your new employer's plan.** You may also be able to roll your assets directly into the retirement savings plan at your new employer. In some cases, this may be a good option, especially if the new employer plan has more or better investment options available to you. Keep in mind that plan administrators are not required to take rollovers, and in many cases, there are waiting periods and verification processes to move your money into the new account.

ROLL IT OVER OR TAKE THE CASH?



The data is for illustration purposes only and is not intended to imply or assume the performance of any investment. Chart assumes a hypothetical 8 percent fixed compound rate of return. It is assumed that the balance that will roll over will be deposited into a tax-deferred vehicle. The data shown for the balance taken in cash and put in a taxable investment assumes a 31 percent tax rate, plus 10 percent early withdrawal penalty.

- **Take the cash.** This option may seem tempting, especially if the balance is small or if you are in pinch for money. But there are taxes and penalties for early distributions, which can have a negative impact on your retirement. Taking a distribution results in a mandatory 20 percent tax withholding by the 401(k) administrator. You may also incur a 10 percent penalty if it is taken before you reach age 59½.[11] Keep in mind that you'll also be foregoing the benefit of the time value of money and increasing your retirement savings. And you will be required to include the distribution amount on your tax returns, as it is subject to income taxes (you'll need to pay any additional amount beyond what the 401(k) administrator retained).

- **Roll your retirement savings plan assets into an Individual Retirement Account (IRA).** If you're not keeping your money with your old employer's retirement plan or moving it to your new employer's plan, your only option to keep your money in a tax-qualified status is to roll it over to an IRA. IRAs allow you to continue saving for retirement with assets that will grow on a tax-deferred basis. Plus, an IRA rollover commonly offers a wider range of investments than is available to you under an employer-sponsored plan. Your IRA options include:

    - **Traditional IRA.** Like your 401(k), this money was not taxed going into the account and will remain untaxed until you begin taking distributions. If you begin taking distributions after age 59½, the withdrawals will be taxed as ordinary income. Earlier withdrawals are subject to additional taxes and penalties. Rolling your employer-sponsored plan into an IRA opens up various investment options, such as mutual funds, stocks and annuities, while still maintaining the tax-qualified status of your dollars. You'll need to work with an advisor to determine the best type of investment vehicle and to make sure your rollover is done correctly as to not trigger a tax event.

    - **Roth IRA.** If you have a Roth 401(k), you can roll it over to a Roth IRA and maintain the tax status and tax-free growth. If you're considering rolling over a 401(k) to a Roth IRA, you'll be required to pay income tax on the amount contributed, but your money will continue to grow tax free, and distributions after age 59½ will also be tax free. Another benefit of a Roth is that under current law, you are not required to take minimum distributions at age 70½, as you are with a traditional IRA or 401(k).

WHY AN ANNUITY?

One option for investing your money inside an IRA is an annuity. An annuity lets you take advantage of the tax-deferred benefits that you get from a 401(k), but it also gives you a guaranteed death benefit and provides an opportunity to convert a portion or all of the money to lifetime income when you retire.

YOU HAVE OPTIONS

We've provided a chart on page 14 that summarizes the options available to you for your 401(k) or 403(b). Whatever option you choose, check to see if there's a deadline within which you'll need to make your decision.

Learn more about your options. ▶

A NOTE ON LOANS

If you have a loan against your existing 401(k), you will have to pay it back. It's not uncommon for plans to require full repayment of a loan within 60 days of termination of employment. If you can't repay the loan, it's treated as a distribution, and you will be taxed on the outstanding balance, including an early withdrawal penalty if you are not at least age 59½.

[11] Topic 413 – Rollovers from Retirement Plans, IRS, retrieved March 2015, http://www.irs.gov/taxtopics/tc413.html

YOUR DEFINED BENEFIT PLAN

In addition to a 401(k) or 403(b), your previous employer may have also provided you with a company-defined benefit plan, typically referred to as pension. What happens to it now that you're moving on? Typically, a pension is not portable, which means you can't take it with you. Instead, it's likely to remain an account on the books of your previous company until you retire, at which point the proceeds will be paid to you in the form of an annuity. So when you change jobs, you may not need to take any action as it relates to your pension, but check with the benefits department to make sure.

YOUR COMPANY STOCK

During your employment, you might have received company stock or stock option grants. You may have to take action on them within a certain period of time after you leave the company. The options available to you will depend largely on what you own—non-qualified stock options, incentive stock options, restricted stock or employee-purchase plans. And if you choose to sell your stock, know that there may be tax implications, especially if it's been less than a year since you acquired it.

Because there are many options with retirement plans, company stock and stock options, and the financial implications can be significant, talk with a financial advisor and tax accountant to make sure you're taking an approach that's right for you.

CONSIDERATION #5: BANK YOUR SALARY INCREASE.

Whether you're moving to a new organization, changing jobs within your company or setting out on your own, your new venture will likely bring the promise of a higher salary and the opportunity to create a more secure financial future. Take advantage of the additional cash flow to:

- **Establish an emergency fund.** It's always a good idea to have six months of living expenses set aside in case of emergency. So if you don't already have an emergency fund, consider diverting some of your increase into an account you can access easily.

- **Fully cover your bases.** Consider using some of your increase in salary to supplement employer-sponsored benefits such as disability income and life insurance. Individual policies can help to bridge gaps in coverage and will give you more flexibility in the future since they'll move with you regardless of where you may work.

- **Pay down debt**. If you have extra cash to dedicate to debt reduction, consider prioritizing your debt payments this way:

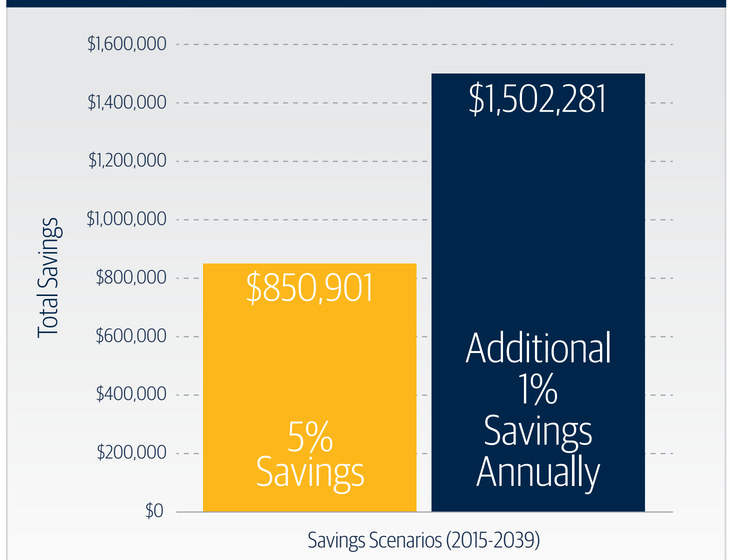
    - Begin with high-interest-rate credit cards. Never make just the minimum payment, which could take years to pay off and end up costing you nearly twice the purchase price of the item you charged.

- After you've paid off your credit card balances, make extra payments toward non-deductible debt, such as car loans and personal loans. The interest on these loans isn't tax deductible, and if you pay them off early, you may save on interest costs. Just make sure you're considering the interest rate on your debt versus a conservative expected rate of return on any investment opportunities.

- Make additional payments on deductible debt. Deductible debt includes mortgages, home equity loans and qualified student loans. You'll want to consider the money saved by paying off the debt compared to a conservative return if invested and any tax deductions you may lose.

- **Plan for your future.** Consider increasing the amount you save for long-term goals, too. If your new job comes with a 10 percent raise, set aside half of that. You won't miss what you never had, will you? The chart to the right shows the impact a 1 percent increase has on your retirement savings. In this example, the individual currently makes $100,000 per year and has 25 years until retirement. She currently has $80,000 in retirement savings and saves 5 percent of her salary each year. If she maintains the current 5 percent rate, she will have accumulated over $850,000 at the end of year 25. However, if she increases her savings percentage by 1 percent each year until she reaches 15 percent (and then contributes 15 percent thereafter), she'll accumulate at least $650,000 more in retirement savings at the end of 25 years than if she had maintained her flat 5 percent contribution.

IMPACT OF A 1% INCREASE ON RETIREMENT SAVINGS



Assumed $80,000 beginning retirement account balance, $100,000 beginning salary with an annual 3 percent salary increase. Assumed 7 percent annual investment return on beginning balance and incremental savings. Figures do not include tax impacts.

CREATE A MORE SECURE FINANCIAL FUTURE.

A new job or career marks a significant milestone in your life, but it may also add to the financial demands on you and your family. So if you're thinking about changing jobs—or are plunging into self-employment—make sure you are financially prepared to transition smoothly and make the most of your new opportunity. Salary, of course, will be a primary financial consideration. But there are other financial factors that deserve attention, too. You'll want to carefully evaluate the value of benefits such as retirement savings plans and insurance that may be available to you.

Plus, you'll have to make important decisions about what to do with retirement assets you've accumulated and any increase in salary you expect to receive, many of which could bring some significant tax implications. Don't go it alone. Talk with a Northwestern Mutual financial representative, who can help you evaluate the options and make decisions that are appropriate for your personal financial plan.

YOUR EMPLOYER-SPONSORED RETIREMENT PLAN

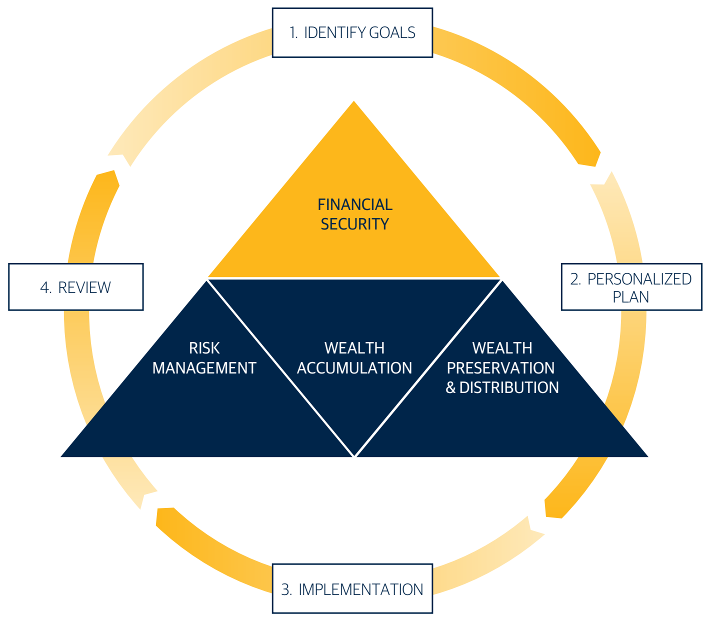
CONSIDERATIONS	STAY IN FORMER EMPLOYER-SPONSORED PLAN	ROLLOVER TO NEW EMPLOYER-SPONSORED PLAN	IRA ROLLOVER
ELIGIBILITY	Eligibility depends upon your former employer and usually requires $5,000 or more in existing assets. Keeping the assets in your current plan incurs no penalties or taxes.	Eligibility depends upon your new employer. Not all employer plans accept rollover contributions from a previous employer's plan. Rolling over to a new plan incurs no penalties, taxes or mandatory withholding.	Allows you to move 100 percent of your plan assets into a new IRA. Rolling over to an IRA incurs no penalties, taxes or mandatory withholding.*
INVESTMENT OPTIONS	Investment options may be limited, but may have lower-cost funds and proprietary investments (i.e., employer stock).	Investment options may be limited, but may have lower-cost funds and proprietary investments (i.e., employer stock).	Generally offers a wider variety of investment options than most employer plans.
FEES AND EXPENSES	Investment management, advisory and plan administration fees (e.g., record keeping, compliance, trustee fees).	Investment management, advisory and plan administration fees (e.g., record keeping, compliance, trustee fees).	Investment management, advisory/brokerage and IRA fees.
SERVICES	Investment advice, planning tools, education materials may be available. Investment management and advisory services may be limited to plan assets.	Investment advice, planning tools, education materials may be available. Investment management and advisory services may be limited to plan assets.	Investment advice (advisory only), planning tools, educational materials available. Investment management and advisory services maybe available to IRA assets and other client assets held at the firm.
PENALTY-FREE WITHDRAWALS	May begin at age 55 if you left employer at the age of 55 or older.	May begin at age 55 if you left employer at the age of 55 or older.	May begin at age 59½.
LOANS	Generally not permitted.	Generally not permitted.	Not permitted.
PROTECTION FROM CREDITORS AND LEGAL JUDGMENTS	May have protection under federal law. State laws vary.	May have protection under federal law. State laws vary.	Protected in bankruptcy only. State laws vary.
REQUIRED MINIMUM DISTRIBUTIONS	Must begin at age 70½.	Must begin at retirement age or 70½, whichever is later.	Must begin at age 70½.
EMPLOYER STOCK	Stock appreciation may be taxable at capital gains rate when distributed.	Stock appreciation may be taxable at capital gains rate when distributed.	Stock appreciation taxed as ordinary income when distributed.
BENEFICIARY FLEXIBILITY	May be limited to spouse-only option.	May be limited to spouse-only option.	Typically allowed for any person, group or entity.
ADDITIONAL CONTRIBUTIONS	Not permissible if no longer employed by employer.	Yes, subject to employer's plan.	Yes, subject to IRA rules.

* Required minimum distributions and periodic payments that are in progress and scheduled to continue for a minimum of 10 years or life may not be rolled into an IRA.

NORTHWESTERN MUTUAL'S APPROACH TO FINANCIAL PLANNING

Northwestern Mutual helps its clients achieve financial security by planning and taking action, guided by a financial professional who helps them reach their financial goals.

WE'LL WORK WITH YOU TO:



1. IDENTIFY YOUR GOALS.

First, we'll make sure we understand what's important to you and your loved ones, where you are today and where you want to be in the future.

2. DEVELOP YOUR PERSONALIZED PLAN.

We'll analyze your financial situation and develop recommendations that can help you and your family achieve financial security.

3. IMPLEMENT YOUR STRATEGIES.

We'll bring your financial plan to life with quality products and solutions.

4. REVIEW YOUR PLAN.

Throughout life, even small changes can impact your financial plan. We'll help you adjust your plan as needed to stay on track.

Although your financial strategy will be one of a kind, we'll ensure that it's built on a solid foundation to help you protect against the unexpected, accumulate wealth and preserve what you're working so hard to achieve.

RISK MANAGEMENT:

Be financially prepared to weather life's storms. We'll help to ensure you, your family and your income are adequately protected against risk.

WEALTH ACCUMULATION:

Make the most of your money. Our financial planning process and investment advisory services are designed to help you achieve your goals.

WEALTH PRESERVATION AND DISTRIBUTION:

Ensure your money lasts as long as you live. We'll help you transition your wealth into predictable income in retirement and leave the legacy you desire.

Northwestern Mutual's financial professionals will help you gain access to a wide variety of products and services, providing a balanced approach to meeting your financial services both today for a job change and tomorrow as your needs evolve. Interested in learning more about Northwestern Mutual and our planning approach? Find a financial professional in your area.

DISCLOSURE

Northwestern Mutual is the marketing name for The Northwestern Mutual Life Insurance Company, Milwaukee (NM), WI (life and disability insurance, annuities, and life insurance with long-term care benefits) and its subsidiaries. Northwestern Mutual Investment Services, LLC (NMIS), (securities) subsidiary of NM, broker-dealer, member FINRA and SIPC.

This publication is not intended as legal or tax advice. Taxpayers should seek advice based on their particular circumstances from an independent tax advisor.

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Northwestern Mutual®