



## **Have You Been Offered a Buyout Package?**

### **Things to Consider Before Accepting**

Thousands of consumers across the country are being affected by the auto industry's dramatic downsizing. Ford Motor Co. just announced that it plans to eliminate 14,000 salaried jobs, offer buyouts to its unionized work force and speed up plant closings to cut significant costs over the next three years.

If you, or someone you know, has been offered a buyout package, there's a lot to consider before accepting.

Join forces with others in the same boat to discuss options. If your company is offering a bunch of offers, why not combine research efforts and share in everyone's wisdom?

Be cautious with the buyout payout. If you decide to accept the offer or early retirement package, you'll be giving up the dependable paycheck. Don't throw any lump sums into fast-money schemes.

Don't deposit the buyout check in a checking account because you may be tempted to spend it. Start shopping for the best rates available on certificates of deposit.

Be prepared to cut back. Some families rely on two incomes plus overtime pay. Even if you tap into your savings or pension, it may not be enough.

Make sure to ask what a buyout of \$35,000 or \$140,000 is worth after taxes.

Review your mortgage. Do you have an adjustable rate mortgage? Talk to your lender to see how much your payments could increase.

Look into how much it may cost to replace your health care coverage if you select a buyout where you could lose medical benefits.

Are you mentally prepared to retire or take a part-time job if you're in your 50s? Also think about how long it may take to find another job if you're in your 40s.

*Source: "Think hard before you accept a buyout" Detroit Free Press*