

Knowledge is Power

How To Evaluate An Early Buy-Out Opportunity or Voluntary Retirement Offer'

Many companies across America are reducing their workforce to save money. One of the ways they do this is by offering early buy-out opportunities or voluntary retirement to select employees. If you are offered one of these packages, how do you determine whether you should take it?

Early retirement or buy out options are being received by many workers recently as companies are offering these to reduce workforce and cut costs. For example, last year [General Motors](#) announced buyouts to salaried workers in an effort to accelerate the cost-cutting efforts announced in its 2022 earnings report. As part of their plan to accelerate attrition and achieve \$2 billion in cost savings by the end of 2024, General Motors announced a Voluntary Separation Program for all U.S. salaried employees with at least five years of service and all global executives with at least two years of service. According to AP reports, its immediate intent was to eliminate \$2 billion in operating costs from its balance sheet as it works toward its intended goal of transitioning from internal-combustion to EVs by 2035. Similar packages and offers are being sent out by many different companies, again in an effort to cut costs.

So, what do you do and how do you evaluate a package like this to determine if it is in your best interest to take or not? Well, you have to consider many factors before making this very important decision, such as:

1. The specifics of what's included in the package.
2. Health insurance needs.
3. Your age and Social Security benefits.
4. Your financial situation.
5. Tax Ramifications
6. Whether you are ready to retire or not.

7. If not, the possibility of finding another job.
8. And the consequences of accepting and not accepting the offer.

Join me this weekend on The Retirement Money Matters Show as we address all of these factors in great detail and provide you with the information and education you need to help you properly evaluate any early buy-out opportunity or voluntary retirement offer that you may receive. The show airs on Saturday morning at 6 on WIBC (93.1 FM), Sunday morning at 8 on WWKI (100.5 FM) or anytime at www.theretirementmoneymattersshow.com. You can also reach us at 765-452-PLAN.