COLORADO COLLEGE **Career Center**

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Accepting a Job Offer

Remember that the Career Center can help with strategies for evaluating and negotiating an offer, so make an appointment if you need assistance!

Budget Planning

Consider your expenses and your cost of living. Do research on the cost of living in each area you are considering working in; variations in salaries will result in different standards of living in different areas of the country and the world. Some budget items include:

- Housing (rent or mortgage costs)
- Utilities
- Food
- Transportation (public, gas & parking permits)
- Insurance (car, renters, medical, dental, vision)
- Clothing
- Moving costs
- Furniture
- Supplies (cleaning, toiletries, etc.)
- Entertainment
- Loan payments
- Credit card debt
- Savings (retirement, future financial goals, unexpected expenses)

Salary Basics

A salary is the **pre-tax dollar amount that you will receive for the work you do**. Taxes (federal, state, and local), social security, insurance costs (medical, dental, and vision), and retirement savings will be taken out of your paycheck, **reducing your salary by approximately 25% or more each pay period**. If it is not a full-year position, determine what the monthly take home income will be if spread out over 12 months, so that you are not living beyond your annual means.

There are two distinctions of employees: **exempt** (no overtime pay and you work until the work is complete), and **non-exempt** (hourly, base plus commission, or commission only). If the position is exempt, as most jobs for college graduates are, *find out how many hours someone in that position usually works*. If you are working 80 hours a week instead of 40, another offer may provide you with a better quality of life and a better salary broken down by hour.

Evaluating a Job Offer

We advise not to accept an offer *right* away, even if you are certain you want the job. Most organizations will give you several days to consider; use this time to think it through. It should raise serious questions about the organization if they demand an on-the-spot decision.

> **Do not accept a job offer if you're planning to drop it when a better offer comes along**. It shows a lack of integrity to give your word to an employer and then renege on the offer, and it could come back to haunt you. **Your reputation in the company, community, and field is at stake**.

Other Considerations

- Stability of a company/organization/institution
- Opportunities for promotions
- Professional development opportunities
- Tuition reimbursement if pursuing additional education
- Dress code—*will you need to purchase a new wardrobe?*
- Childcare availability
- Vacation time, sick time, personal time
- Holiday pay
- Days off
- Bonuses

Negotiating a Job Offer

You may eventually be working with the person you are negotiating with, so always treat them with respect and professional consideration.

There are several components of the job offer that you may negotiate, including: additional time to allow you to decide whether or not to accept the offer, particularly helpful if you are waiting on another opportunity; salary; benefits and when to start benefits, such as health insurance and/or retirement; professional development opportunities; moving expenses; and specific days off, such as pre-planned family commitments.

During Your Negotiation

There is no right or wrong way to negotiate an offer when it comes to who says a number first. If a salary or salary range is not stated for the position, before beginning your salary negotiation, research the starting salary of previous employees with similar experiences and skills through Human Resources.

Provide evidence for why you deserve a better offer.

Discuss your previous work history and unique skill set.

If relevant, note issues with the cost of living in the area.

Accepting Your Offer

- Though you accept an offer verbally, the employer should always send you a written confirmation of the job offer that spells out job title and area of responsibilities, starting date, and salary information before you sign a contract or formal agreement.
- The offer may be contingent upon a background check. The background check may be criminal and/or financial, so if you have concerns that may arise, you should **address them with the employer upfront** after receiving an offer before they find out the information on their own.
- Once you have accepted a job offer, you should not continue pursuing other employment opportunities. Write to those employers who are still considering your application and inform them that you are withdrawing your application. This action is a matter of courtesy and will help protect your reputation. If you already had an in person interview, it's a good idea to call your contact and follow up with a formal withdrawal. You may want to work for these organizations in the future; be respectful and **don't burn your bridges**.

Forms and Benefits

If you are accepting a position in the U.S., you will need to fill out your W-2 form with information about your ability to work in the U.S. and provide identification, such as a driver's license, social security card, passport, visa, etc. Have at least two of these pieces of identification with you on your first day of work.

Your human resources department will be able to give you details about the benefits at your organization; the following information is general and not comprehensive.

What to Claim on the W-4 Form

When you begin your new job, you will complete a W-4 form and decide **when you want to pay your taxes, either during the year or in April**. There is a worksheet on the top of the W-4 that you **do not** need to follow. Since most students out of school will be single, you then decide what to claim: 0, 1, 2, or more dependents. Choosing "0" will typically result in more money being taken out throughout the year and you receiving a refund during the tax season. Choosing "1" will typically result in you breaking even, and choosing "2" or more dependents will result in fewer taxes being taken out from each paycheck, but you will likely have taxes to pay in April.

Tip: You can change this at any time throughout the year should you need more money for unexpected expenses.

Choosing a Medical Insurance Plan

There are three types of medical insurance plans:

- **Health Maintenance Organization (HMO)** is the **least expensive and least flexible** option. You can only see doctors in your network and must contact your primary care physician before you can see another doctor in your network that is not your primary care physician.
- **Point of Service Plan (POS)** is part HMO and part PPO. It is **moderately priced and is moderately flexible**. You still have a primary care physician, but may be able to also go outside of your network for an additional cost.
- **Preferred Provider Organization (PPO)** allows patients to go to any doctor they choose in the network. **It is the most flexible and most expensive option**. You will still have a network of doctors to choose from, but do not need a referral. If you go to an out-of-network doctor, the insurance company will still pay part of the cost.

Additional Medical Insurance Plan Considerations

You may need to buy medical insurance to receive **dental coverage**. Vision plans are also sometimes tied in with a health plan, or you may need additional coverage.

There is sometimes a waiting period to begin medical coverage for positions, so you may need to sign up for short-term insurance through a free-standing agency. Consolidated Omnibus Budget Reconciliation Act (COBRA) health benefit provisions may also be available **if you are transitioning from your parents' health insurance**. You can use COBRA for up to 18 months at an additional cost. If your benefits do not include medical insurance, you can utilize either of the options above for coverage.

Employers usually offer a standard medical plan for everyone, and sometimes you have the option to upgrade for an additional cost. You can usually change your plan once a year and your plan costs are typically offered as a **pre-tax benefit**.

Retirement Benefits

We're sorry to be bossy, but **you should start saving for retirement as soon as you begin working**. Saving early in your career will allow you to put in less each month later on and still end up with the same amount upon retirement. Additionally, money you put in earlier will earn more than money you put in later because it will have more time to grow in the investment. **Compound interest is your friend!**

Ask your human resources department about the plan option(s) available to you.