



What Does Retirement Look Like In 2017?

For the second part of the series that takes a look at retirement in 2017, we dive into a few of the top destinations for retirees—and it might surprise you that many of them are abroad!

According to the Social Security Administration, around 400,000 American retirees are now living outside of the U.S.¹ And the reason most retired expatriates (expats) say they are choosing to head abroad is because the cost of living is often significantly lower than staying in the states. On top of that, many people who retire today are in good health and not only interested in stretching their dollar and relocating to a warmer climate, but also seeing the world.

Considering the many personal and financial considerations that go into living abroad, here are some of the top international destinations for retirees in 2017:

Mexico – One of the most popular international destinations for retirees is Mexico. With its close proximity to the U.S., sunny weather and a currently weaker peso, Mexico has become the “go to” place for retirees. The U.S. dollar is also strong right now so your money goes further when looking into real estate and living expenses. Mexico may be a good choice for those who still want to be able to travel home to see family easily while still enjoying new experiences. Mexico also offers affordable healthcare and most expats use doctors who they pay by the visit because the out of pocket expense are affordable. Mexico also offers insurance to foreigners, but coverage costs may vary based on age and could be limited due to any pre-existing conditions.² Be aware that some regions of Mexico are safer than others so avoid areas with active travel alerts.

Spain – Spain tops the list because it offers some of the lowest-cost developed country living retirees are seeking. And for many expats, the biggest draw to Spain is the laid-back lifestyle and lower cost of living that the country offers. Spain not only has miles of beaches and warm climates, in some areas real estate can be fairly inexpensive. Couples can get by living a nice lifestyle on as little as \$1,900 a month in some smaller cities in Spain.³ If you are a resident of Spain, you might also be eligible for the country’s widely used healthcare plan, yet it can be known to have long waiting lists for treatments and operations. In this case, private healthcare may be the best option.

Malta – Malta is an archipelago in the central Mediterranean Sea between Sicily and the North African coast. Retirees are drawn to this country for many reasons—one being you can expect 300 days of sun and mild winters. For a Mediterranean island, the cost of living is reasonable where a couple could live an island lifestyle for \$2,700 per month.⁴ Healthcare is another major plus. Private health insurance is considerably lower than in the U.S., even allowing you to cover the cost of a doctor visit and prescriptions with cash. Malta is also known for its impressive historic sites, and should you need a break from island life, Malta is a quick and often inexpensive flight to Paris and other European destinations.

If retiring abroad is something that interests you, let’s talk about your options. There may be fiscally smart ways to enjoy retirement abroad with the nest egg you’ve saved.

¹ <https://www.ssa.gov/pubs/EN-05-10137.pdf>

² <http://www.focusonmexico.com/Mexico-Topics/Health-Care/IMSS-National-Health-Insurance.html>

³ <https://internationalliving.com/2017/01/the-best-places-to-retire/>

⁴ <https://internationalliving.com/2017/01/the-best-places-to-retire/>

Planning For Retirement While Supporting a Loved One

There is sense of security and accomplishment that comes with a well-planned retirement saving strategy. However, that content feeling can quickly turn into stress when a loved one requires your full-time care. Today, many Americans saving for retirement are also caring for elderly parents who need additional medical and financial support. Then there are those who care for a sick spouse that cannot work, or a child that requires longer-term support. Meanwhile, retirees are draining their savings in order to help a loved one in need. Here are a few ways to continue building your nest egg while also providing for a family member.

Look for tax breaks

To help keep more of your money while supporting a loved one, there are caregiver tax breaks that could apply to your situation. You may be able to claim adult relatives that you are assisting as dependents come tax time. There are qualifications you have to meet in order to do this, for example, you must pay for more than 50 percent of your qualifying relative's support costs.⁵ However, if you meet this and other qualifications it is one way to save some money to then invest in your own retirement. You can also look into using pre-tax money to pay for the care of a spouse, child or parent that is dependent on you.⁶ If you are still working, talk with your Human Resources department about using your FSA money to assist with a loved one's care.

Consider your insurance options

Caring for an ailing loved one or aging parents that require long-term care can cause a considerable threat to retirement savings. If you find yourself financially strapped in caring for them, you may want to look into long-term care insurance designed to help you avoid spending money that you have set aside for retirement on a loved one's medical care. This insurance can help cover home health, assisted living and nursing home care for those who qualify. Don't lose years on your retirement. Now is the time to look into your insurance options.

Tap into available services

If you are juggling the need to work full-time while also supporting an ailing loved one, there are government programs and nonprofit organizations that can help provide affordable care. For example, look for home health care volunteers in your area who can stop in and help with a person's daily activities such as bathing, dressing, housekeeping and transportation. Medicare can also cover, at least in part, any medically necessary home health care services but restricts coverage to those who are mainly considered "homebound." Then there is Medicaid that can also help cover, among other things, the cost of home care and nursing home care when someone can no longer care for himself or herself. Medicaid is a joint federal and state program and qualifications vary by state. Learn more at <https://www.medicaid.gov>.

Maintaining your retirement lifestyle while also caring for a loved one can be possible. Call the office if you have questions about saving for your retirement while also supporting a family member.

⁵ <http://www.aplaceformom.com/senior-care-resources/articles/tax-tips-for-seniors>

⁶ <https://www.agingcare.com/articles/flexible-spending-account-148779.htm>

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