

From Dream to Departure: Preparing Financially and Personally to Retire Abroad

For many people, retiring abroad begins as a daydream — morning walks along a coastal village, afternoons in a historic city square, or a slower pace of life surrounded by a different culture. For some, it's about adventure. For others, it's about lifestyle, cost of living, or simply doing something different in the next chapter of life.

But retiring abroad isn't just a lifestyle decision — it's a financial strategy that requires thoughtful preparation. When planned carefully, it can be both personally fulfilling and financially sustainable. When rushed, it can introduce unexpected complexity.

If international retirement is part of your long-term vision, here's how to think about preparing for it.

Start With the Life You Want to Live

Before discussing accounts, taxes, or exchange rates, define what retirement abroad actually looks like.

Are you envisioning:

- A full-time relocation?
- Splitting time between the U.S. and another country?
- Renting long-term or purchasing property?
- Living in a city, rural area, or beach community?
- Staying close to major healthcare centers and airports?

Clarity around lifestyle drives the financial model. A modest apartment in a smaller town will require a very different income plan than a home purchase in a capital city.

Once the vision is clear, it becomes possible to translate that lifestyle into an estimated monthly budget — both in U.S. dollars and in local currency.

Understand Residency and Visa Requirements

Every country has different rules for retirees. Many offer retirement visas or long-stay permits, but these often require proof of financial stability.

Common requirements include:

- Proof of recurring income or minimum assets
- Private health insurance coverage
- Background checks
- Minimum stay requirements

These rules can influence how retirement income is structured. For example, if a visa requires proof of consistent income, retirement withdrawals may need to be organized accordingly. Before moving assets or selling property, confirm eligibility and timeline details.

Plan Carefully for Healthcare

Healthcare is one of the most important variables in retiring abroad.

Medicare generally does not cover healthcare outside the United States (with limited exceptions).¹

Many retirees rely on a combination of:

- Local public healthcare systems
- Private international insurance
- Travel medical policies
- Returning to the U.S. for certain procedures

Healthcare costs abroad can be lower in many countries, but structure and access matter just as much as price. For perspective, U.S. per-capita health spending in 2024 was estimated at over \$14,880, compared with an OECD average closer to \$6,000.²

Cost alone should not drive decisions. Quality of care, wait times, language access, and emergency coverage all deserve careful evaluation.

Coordinate Retirement Income and Cash Flow

Receiving retirement income abroad requires thoughtful coordination.

Social Security payments can generally be received while living overseas, though logistics vary by country.³

Key considerations include:

- Direct deposit into U.S. or foreign banks
- Currency conversion costs
- Required Minimum Distributions (RMDs)
- Access to funds during market volatility

A sustainable plan typically includes:

- A withdrawal strategy across taxable, IRA, and Roth accounts
- A cash reserve to reduce forced withdrawals during downturns
- Flexibility in how income is generated year to year

The objective is to support steady spending without reacting emotionally to market fluctuations.

Address Taxes on Both Sides

One of the most misunderstood aspects of retiring abroad is taxation.

U.S. citizens are generally required to file U.S. tax returns and report worldwide income, even while living abroad.⁴

In addition, the country of residence may impose:

- Income tax
- Property tax
- Capital gains tax
- Inheritance or wealth taxes (depending on country)

Tax treaties may help prevent double taxation in certain cases, but they do not eliminate filing requirements.

Planning ahead can make a significant difference. Timing withdrawals, Roth conversions, or asset sales before relocating may reduce complexity later.

Prepare for Currency Fluctuations

If retirement assets are primarily held in U.S. dollars but expenses are in another currency, exchange rates will affect purchasing power.

Currency swings can:

- Increase or decrease monthly living expenses
- Affect housing affordability
- Create budgeting uncertainty

Rather than attempting to predict currency movements, retirees often create structure by:

- Maintaining a local-currency reserve
- Converting funds at regular intervals
- Keeping diversified investments

The goal is stability — not speculation.

Review Estate and Legal Documents

An international move should trigger a review of:

- Wills
- Powers of attorney
- Healthcare directives
- Beneficiary designations

Some countries have inheritance laws that differ significantly from U.S. rules. Property ownership structures and estate settlement processes can vary as well.

Ensuring documents remain aligned with long-term intentions is a critical, but often overlooked, step.

Consider a Trial Period

Before committing fully, many future expatriates benefit from a temporary stay — perhaps one to three months.

A trial period helps answer practical questions:

- What does daily life actually cost?
- How accessible is healthcare?
- How easy is banking and bill payment?
- How often will travel back to the U.S. be necessary?

Real-world experience often clarifies assumptions.

Turning Possibility Into Practical Planning

Retiring abroad can be deeply rewarding — culturally, personally, and financially — but it requires more coordination than domestic retirement.

A structured planning process typically involves:

- Clarifying long-term lifestyle goals
- Modeling retirement income under multiple scenarios
- Stress-testing for market volatility and currency shifts
- Coordinating with tax and legal professionals
- Updating the strategy as rules and personal circumstances evolve

Because cross-border retirement introduces additional layers of complexity, working with a qualified financial advisor and tax professional can help identify risks and opportunities early.

A Thoughtful Next Step

If retiring abroad is even a distant goal, beginning the conversation early creates flexibility. Adjustments made years in advance — whether related to savings, withdrawal structure, or tax planning — can significantly influence outcomes later.

International retirement is not simply about changing location. It is about designing a financially sustainable life in a new environment.

With preparation, the dream can become a carefully built and confidently executed plan.

Sources:

- Medicare.gov
- OECD Health at a Glance
- USA.gov – Social Security Abroad
- IRS – U.S. Citizens and Residents Abroad Filing Requirements

Wealthcare Capital Management LLC,, Wealthcare Advisory Partners LLC, and Wealthcare Capital Partners LLC (collectively, “Wealthcare”) are investment advisors registered with the SEC under the Investment Advisors Act of 1940. Additional Important Disclosures may be found in the Wealthcare Capital Management LLC and the Wealthcare Advisory Partners LLC ADVs Part 2A. Request a copy at compliance@wealthcarecapital.com

This communication is for informational purposes only and is not to be considered advice or a recommendation of any specific investment product or strategy. Views and opinions are subject to change at any time based on market and other conditions.

Before acting on any information in the content of this article, you should seek the personalized advice of legal, tax or investment professionals.

©2026 Wealthcare Capital Management LLC and Wealthcare Advisory Partners LLC All Rights Reserved.