

YOUR FINANCIAL CHECKLIST FOR RETIRING TO A NEW CITY

Check these 10 items off your to-do list before moving to a new locale.



By: Maryalene LaPonsie - August 3, 2017

Plenty of retirees are seeking greener – or at least warmer – pastures after quitting their jobs. Thousands of seniors age 60 and older are moving to southern cities such as Mesa, Arizona; Jacksonville, Florida; and New Orleans. According to an analysis of Census Bureau data by SmartAsset, a financial technology company that provides personal advice and data on consumer finance topics, these destinations saw the greatest net migration in 2015.

"Moving is a huge commitment," says Ken Moraif, senior advisor at Dallas-based Money Matters. "So before you move, make sure you've done your homework and are going to like it there."

You also need to do the following 10 things to make sure you're financially ready to make the switch.

1. Check the cost of living. The first order of business for a retiree who plans to relocate is to ensure it will be affordable. "Moving isn't a big deal as long as you check into the cost of living," says Clinton Smith, CEO of Government & Civil Employee Services, LLC in Indiana, Pennsylvania.

Taxes, housing, transportation, food and utilities are among the items to consider. Plenty of websites provide cost-of-living calculators that can help people determine if they can maintain their lifestyle in a new location.

2. Build your emergency fund. There can be surprises even after thorough research. "It's always a bit of a gamble when you get that first utility bill," says A.J. Smith, vice president of financial education for SmartAsset. Prepare for unexpected expenses by boosting the balance in your emergency fund before moving.

3. Choose new health insurance. Hans Scheil, author of "The Complete Cardinal Guide to Planning for and Living in Retirement" and CEO of North Carolina-based Cardinal Retirement Planning, says retirees often overlook the importance of health insurance when making relocation decisions. "This didn't use to be a big deal, but it's a huge deal in our

retirement planning now," he says.

Both private health insurance for younger retirees and Medicare Advantage plans have specific service areas. Retirees moving out of the service area will need to find a new plan, which could mean more expensive premiums and increased out-of-pocket costs.

4. Reevaluate long-term care options.

Along with health care, retirees need to think about long-term care. "Are you moving closer to potential caregivers?" Scheil says. "Or are you moving farther from potential caregivers?"

If you'll be far from family, it may be time to buy long-term care insurance or a life insurance policy with a long-term care rider if you are young enough and can afford the premiums. A continuing care retirement community that guarantees access to long-term care for residents is another option.

5. Adjust retirement withdrawals. Income taxes, or the lack thereof, are a driving force behind many retirees' decisions to cross state lines. Those moving to a city with no state income tax may want to wait until they establish residency to start taking taxable withdrawals from retirement funds. On the other hand, retirees moving to a state with a higher tax rate may want to increase withdrawals prior to departure.

6. Calculate the cost to rent or buy. For many homeowners, it only seems logical to buy a house in their new city. However, Moraif cautions against that. Renting for six months first can give retirees time to determine if they like the city well enough to stay and to accurately gauge its cost of living.

Retirees may underestimate the true cost of owning a home, particularly if they are paying cash. "People think, 'Once I pay off my mortgage, I'm living for free,'" Smith says. However, property taxes in some areas can be significant enough to make ownership unaffordable.

7. Check your credit score. Even if you're not getting a new mortgage, there is a good chance your credit will be run as you set up utilities and other accounts. Before moving, check your credit score, which is available for free through many banks as well as websites. If it's on the low side, confirm that information on your credit reports is correct and consider paying down debt to boost your score.

8. See if you need a new bank or financial advisor. Mobile deposits, online banking and ATM networks mean you don't need a branch nearby to manage your money. However, if you feel more comfortable being able to walk in and get personal

help, investigate your bank and credit union options in advance.

Today's technology also lets people keep their financial advisors after they move. "We have clients all over the world," Moraif says. "We communicate with video conferencing. It's very easy to have a face-to-face discussion wherever they are." However, you'll want to confirm this is an option with your advisor.

9. Budget extra for entertainment.

Clinton Smith recommends retirees budget extra for recreation activities after a move. "Everyone retires, and they don't plan how to fill their days," he says. Without friends nearby or knowledge of local low-cost activities, retirees may spend more on entertainment as they get to know the lay of the land.

10. Update legal documents. Although not a crucial step prior to a move, retirees should have all their legal documents – including their durable power of attorney, health care designee and HIPAA release forms – reviewed by an attorney in their new city. "Your will is still good in a new state, but it was written for the laws of your [old] state," Scheil says. A good attorney shouldn't have to rewrite documents from scratch but can make necessary adjustments to account for differing laws.



Clinton Smith, CEO of Government & Civil Employee Services, LLC (GCES), is focused on building a team of passionate professionals whose genuine interest is in helping others, while staying current on ever-changing laws and procedures determined by the Federal Government. Clinton holds a Pennsylvania Life, Health and Annuity License and is also a registered Public Notary for the state of Pennsylvania.

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