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 WINTER

 **Considering an offshore retirement? Four things to do before you go**





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Australia has become an expensive place to live, so it's not surprising that the lure to retire at an idyllic, low-cost, offshore location is getting a lot of attention. We discuss the pros and cons.

If you've holidayed overseas recently, you'll know how much further your Australian dollar can go – particularly in Asia. An income that would be considered frugal in Australia is likely to fund a very comfortable lifestyle in some overseas locations.

This is because food, transport, housing and domestic services are often a fraction of what they'd cost back home. Adding to the lustre, these affordable lifestyles can include beach-side living and a tropical climate.

However, before making any firm plans to turn your holiday into a permanent home, it's important to consider all the implications.

1. First do a trial

Visiting a place on holiday is very different to living there. So before making any decisions, try living in the location for between six to 12 months. That way you can make sure you'll be happy, healthy and safe.

During your trial, ask yourself these questions:

- ▶ **How easy it is to make new friends?** And are you comfortable being away from your relationships and life in Australia?
- ▶ **What's day-to-day life like?** How safe and secure is the neighbourhood? Are utilities and transport available and reliable?
- ▶ **Are the local cultural expectations a good fit for you?** Do local values suit your lifestyle?
- ▶ **What's the climate like year-round?** And is it helpful or harmful for any medical conditions you have?
- ▶ **What are your legal rights?** Are you able to rent, buy property, own a car, or get a driver's licence?

2. Check out the visa requirements

Research what visa you'll need to live in your chosen country long-term, and if you're able to stay without being a resident. Most visas need regular renewal and there's often a limit as to how often you can renew.

If you plan to move permanently you may be able to apply for permanent residency, however this may be complicated and time consuming.

What's more, applying for residency overseas may affect your Australian tax residency status, with possible implications for your banking and your super payments.

3. Consider the medical services and cost

Access to healthcare is a key priority, so carefully evaluate the standard and cost of healthcare in your target country – and what would happen if you got critically sick. If you take medication, make sure your medication is both legal and available.

Neither Medicare nor Australian private healthcare funds will pay for your medical treatment overseas. While Australia has reciprocal healthcare agreements with some countries, elsewhere you'll have to pay your healthcare costs in full.

4. Assess the financial implications

Consider how you'll manage your superannuation and pension payments, and where and how you'll do your banking. You'll also need to consider how fluctuating currency exchange rates could impact how much money you get and how far it goes.

Super pensions and lump-sum payments have tax concessions in Australia, but this might not be the case in the country you're relocating to. Make sure you understand the local financial laws and tax implications to avoid breaking them or paying double taxation.

If you move overseas, you may still be eligible for an Australian Age Pension, but it may be less than what you would receive in Australia. The [Smart Traveller](#) website is a good place to start your research.



How we can help

Retiring overseas can have big implications for your wellbeing, your super, Age Pension benefits, and tax obligations. While we've touched on some of the considerations in this article, it's important to get early, expert advice from your financial adviser. We can advise you on the financial implications, taking into account your circumstances and goals.

The numbers

Gross domestic product increased
0.1%
for the March 2024 quarter.⁹

The unemployment rate is
4.1%
at April 2024.¹⁰

Consumer price index annual change is
3.6%
at the March 2024 quarter.¹¹

130,000
people retired in 2022
with an average age of
64.8 years.¹²

The Wage Price Index (WPI) rose
0.8%
in the March 2024 quarter.¹³

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CONTACT YOUR COUNT ADVISER AT:

⁹ Australian Bureau of Statistics

¹⁰ Australian Bureau of Statistics

¹¹ Australian Bureau of Statistics

¹² Australian Bureau of Statistics

¹³ Australian Bureau of Statistics