



Wealth Matters Newsletter

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Blueprint to Retiring Overseas: Is Retiring Overseas Right for You?

How about the City of Lights with the Eiffel Tower in the background? You can take weekend trips to the Louvre.

Thinking about the Eternal City? Visit the Colosseum or the Pantheon in your free time.

A smart bungalow in a quaint London neighborhood would be absolutely smashing. And you wouldn't have to learn another language—other than British English. You can always tour the Tower of London or take a gander at Buckingham Palace whenever you feel like it.

Of course, if you're looking to go completely off the beaten path, then how about Koh Rong Samloem, Cambodia, one of the Gulf of Thailand's (and the world's) most exotic locations?

No traffic. Very little development. A few rustic beach huts. But what about those midnight walks in a nearby rainforest or swinging on a hammock on Saracen Bay?

Ah, retiring overseas. That would be the life, at least for the more cosmopolitan minded.

But can you do it? Is it even possible? Even better, how do you do it? The short answer to the first two questions is yes. And here's how to get started:

Retiring overseas may provide some wonderful opportunities to experience the cultures of the world and visit some amazing monuments to ancient civilizations.

Becoming a resident of a historic city envelops you in the passionate traditions and mindsets of a people with profoundly unique perspectives on living in a global community. You are no longer a mere tourist; you are submersed in the strange and wonderful ethos of your new home. That's what it means to live life abroad.

But often the transition to overseas living is fraught with challenges. This is not just another life adventure. This is transformation.

FIRST STOP, ACCOMMODATIONS.

Some travel experts point to the low cost of real estate in many foreign lands as a good reason to buy a home. But not so fast. Buying property abroad provides little long-range value and poses some unique and subtle challenges.

In many areas, you may not be able to get a mortgage as a foreigner. And if you have the money to buy a home, it might get complicated holding real estate as a noncitizen.

However, if you're set on buying, consider renting first (for at least the first year) to get accustomed to the experience. If you do decide to buy a home, consider hiring an attorney to ensure your paperwork is done correctly and legally.

KEEPING YOUR MONEY AT HOME—IN THE UNITED STATES.

Finance and banking laws differ in other countries. Some are more cash-centric, which might require you to have secure access to your domestic accounts.

Your best bet might be retaining your U.S. bank accounts and getting money at an ATM. See if your bank provides fee rebates for using foreign ATMs.

On the other hand, some foreign banks do provide the same level of service you would get at your domestic institution.

"Establish a local bank account with a national bank that is a member of one of the major ATM networks," said Dan Prescher, a writer at International Living.

"Also choose a bank with a branch in your neighborhood for easy access and establish a personal relationship with the bank manager as soon as possible. "Banking is still a very personal thing in many countries outside the U.S. and having a good relationship with your local banker can make banking abroad much, much easier."

The Social Security Administration will direct deposit payments into foreign accounts. You may want to reconsider moving your IRA or 401(k) distributions into foreign plans. Transfers are not counted as qualified rollovers, which may trigger additional U.S. tax liabilities and 10% early withdrawal penalties.

KEEPING YOUR INVESTMENTS AT HOME.

Your best bet may be to keep your investments in your U.S. portfolio. The IRS classifies a foreign mutual fund as a Passive Foreign Investment Company or a Qualified Electing Fund.⁵ The U.S. tax code has stringent and draconian requirements for PFICs and other foreign funds.

In cash-centric countries or communities, it's important to keep your investments working for you, which may require finding a qualified financial professional to help you. That may not be easy in a foreign country, but it's important to protect your wealth. So, do the research.

DO YOUR CREDIT CARDS RIGHT.

Take a look to see if your credit cards charge foreign transaction fees, which can be 1-3% on all purchases. Some providers don't assess those fees. Others let you earn bonus points for domestic and international flights. Call your credit card company to find out.

CHECK YOUR HEALTH INSURANCE.

You'll have to do some research and call your insurers to learn what services they provide overseas and how to be reimbursed if you do seek medical attention.

Medicare doesn't extend coverage outside the U.S. The agency does provide some unusual coverage exemptions under Original Medicare Part A (hospital insurance) or Medicare Part B (medical insurance).

EXEMPTIONS INCLUDE:

1. You have an emergency in the U.S. but you're closer to a foreign hospital.
2. You're traveling through Canada on a direct route between Alaska and another U.S. state when you have a medical emergency and the nearest hospital is foreign.

3. You live in the U.S. and the closest hospital that provides the treatment you need is foreign. It doesn't have to be an emergency.

Medicare only pays for covered services under those exemptions.

To fill coverage gaps, you could get travel insurance to help with potential medical expenses.

COMPLETE INSURANCE COVERAGE SHOULD INCLUDE THESE PROVISIONS:

- Trip cancellation in case of sickness or death.
- Trip interruption for the same reasons.
- Emergency medical coverage.
- Emergency medical evaluation.
- Emergency assistance.
- Baggage protection.

CHECK WITH THE IRS ABOUT TAXES.

It doesn't matter where you live or work, if you're a U.S. citizen, you'll have to pay taxes. (Many retirees don't have to pay because of lower income levels.) The IRS does provide certain exemptions for expenses related to overseas work. The agency provides a calculator for determining what income you can deduct during tax filing.

DETERMINE HOW LONG YOU'RE GOING TO STAY.

Most countries require residency visas for stays longer than 30 to 90 days. The visa application process can be easy and welcoming or overly bureaucratic and complicated. The U.S. Department of State offers resources for U.S. travelers heading overseas.

DECIDING TO MAKE THE MOVE

If you're looking for the exotic life, with a splash of adventure, then retiring abroad might be for you.

Be prepared to do your homework and invest the time in researching your options. The payoff may be bigger than you expected.

Sources Available Upon Request

Are You Protecting Your Digital Assets?

We often talk about estate planning in our conversations and review meetings, but one area of estate planning that is becoming increasingly important is the protection of your digital assets.

Have you considered your digital assets when working on your estate plan?

Do you know how much your digital assets are worth?

A digital asset is anything you can access either online or via a device such as your computer, tablet or phone. Essentially, it is information you store electronically. These assets range from sentimental (social networking accounts and digital photo galleries) to financial related digital assets (electronic tax returns and online banking information) to tangible digital assets (music and apps) that have a retail value.

Why care about digital property?

Maintaining our personal and financial information on the internet has become a normal way of life for many of us. As such, we often forget about not only the monetary value but the sentimental value associated with our digital property.

Few people maintain physical photo albums any longer so what would happen if you became disabled or passed away and your family was unable to access your Shutterfly account? We strongly encourage you to develop and

maintain a current list of digital property, as well as the security passwords and/or encryptions necessary to access such assets.

You could also consider a digitally stored inventory of your usernames and passwords, secured by one master password or encryption by using a software program such as KeePass Password Safe or RoboForm. There are many options available to you, so consider your own comfort and research before choosing a solution.

Won't my family become the owners of my digital assets?

According to Everplans, "almost all 50 states have passed laws that give a person's family (or Executor) the right to access and manage digital assets after they die." The Uniform Law Commission drafted the Revised Uniform Fiduciary Access to Digital Assets Act (RUFADAA), which addresses the desire of families to have access to their loved one's digital assets after their death and the Act is meant to govern this access.

We have prepared a Digital Asset Information worksheet for you to help create an information guide to access these accounts in the event you are no longer able to share this information with others. For a free copy, please call us at (913) 814-3800 or email your request to Cali@SearcyFinancial.com.

If you have worked with an attorney to develop your estate plans and did not include digital asset information, now would be a good time to prepare the worksheet and make sure it gets included with your current estate planning documents.

Everyone deserves the confidence of knowing that their assets are protected. If you have not started the estate planning process or have not incorporated your digital assets into your estate planning, start now. Digital assets are added daily and it is up to you to protect your assets.

Gratitude: Does It Make You Healthy, Wealthy and Wise?

We are something other than what we imagine, something greater. We heed that mysterious calling—to connect ourselves with others. That's the voice of gratitude. That's why we say thank you.

Gratitude is not so much a moral obligation. It is a yearning to step beyond ourselves.

Gratitude links us to that raw precept expressed in President Lincoln's sweeping, majestic prose in his first inaugural address: "...when again touched, as surely they will be, by the better angels of our nature."

We have the capacity to let gratitude rise from our hearts. Or not. We are, at once, hellions and saints.

It is, in essence, what establishes our nobility: our ability to convey gratitude. But, in the real world, gratitude holds a small amount of irony: Gratitude is good for us.

Does It Make You Healthy, Wealthy and Wise?

HEALTHIER?

Yes, definitely.¹ Scientists say gratitude has a direct impact on your health. And you feel better at the same time.

"Clinical trials indicate that the practice of gratitude can have dramatic and lasting effects in a person's life," said University of California, Davis, psychology professor Robert A. Emmons. "It can lower blood pressure, improve immune function, and facilitate more efficient sleep."

Researchers say expressions of gratitude (the giving of thanks) improve your health by:²

- Promoting better self-care.
- Improving sleep.

- Reducing the temptation to overeat.
- Easing depression.
- Providing happiness.
- Enhancing empathy.³
- Developing greater self-esteem.

WEALTHIER?

Yes, indeed. In fact, gratitude kind of rewires your brain or, at least, alters your outlook. It makes you “feel” wealthy.

Great wealth is, in reality, a matter of perspective. Nonetheless, scientists have traced a direct link from gratitude to wealth.⁴ In one study by the National Academy of Sciences of the United States of America, researchers concluded that subjective wellbeing leads to more earnings.

By the numbers, how does gratitude instill wealth?⁵

Authors Ellen Rogin and Lisa Kueng (*Picture Your Prosperity: Smart Money Moves to Turn Your Vision into Reality*) write that gratefulness makes you less materialistic.

“By focusing on gratitude, not only will you help yourself be less materialistic, you’ll probably naturally spend less money and be able to save more.”

Gratitude also makes you more likeable, which is great for boosting your career, they say. “Grateful people have been found to be more focused and productive—traits that certainly help in career advancement.” In the process, you become more productive.

WISE?

Yes, but first we must define wisdom.

Psychologists say wisdom has to do with the process of decision-making and incorporates the more elusive operations of knowledge, experience, and understanding.⁶

What does that mean?

According to psychologists, wisdom involves understanding, tolerating, and putting into perspective life’s uncertainties and unexpected changes. Wisdom chooses to wear the rose-colored glasses.

Wisdom requires awareness and optimism about life’s challenges—and that every problem has a solution.

Gratitude fits perfectly into wisdom. In fact, the two are inseparable.

Yes, gratitude does produce wisdom. And wisdom compels us to define the difference between being thankful and being grateful.

Gratitude is shaped by action. Thankfulness is a state of mind.⁷ Thankfulness is the first step in the discipline of acquiring gratitude as a lifestyle. So, how do you become grateful?

HOW TO BE GRATEFUL

Here’s how to get started:

1. Get a daily journal.
2. Plan to write in the journal every day, early in the morning when you wake or before you go to bed.

3. Before you write, think about three things you are thankful for. And be specific.
4. Write whatever comes to mind in your journal. Doing it every day helps build it into a habit.
5. Tell someone—your spouse, a partner, a friend, a coworker, even an acquaintance, if possible—how much you appreciate that person. Make this specific also. Don't just say: "Thank you for being you." Communicating gratitude strengthens relationships.
6. As you're brushing your teeth or washing your face in the morning, look at yourself in the mirror and identify something you've done recently or something you like about yourself. You can even thank yourself.
7. Look for the good in bad situations. Rephrase how you express opinions about others or about circumstances in your life. Putting a positive spin or finding the gold nugget makes life a little brighter. Repetition builds it into a habit. And habits shape your personality.

THANK YOU VERY MUCH

Your positive attitude developed by expressions of gratitude help shape the world into a happier place.

We would also like to take this time to say how grateful we are for you. Whether you are a friend, reader, or client, we appreciate you taking the time to learn and grow in finances and in life with us. Thank you!

Sources Available Upon Request

AROUND THE OFFICE



Rising Stars Class of 2019

John Fales and Ryan Brooke were in attendance as Marc Shaffer was honored as a member of the Rising Stars Class of 2019 by The Independent magazine. To read more about the honorees, visit <http://kcindependent.com/introducing-the-independents-2019-class-of-rising-stars/>.



Habitat for Humanity

Mike Searcy joined his fellow Rotary Club of Naples members to volunteer with Habitat for Humanity. They worked on adding siding to a Habitat home in the area. To find your local Habitat or learn more about their mission, visit <https://www.habitat.org/>.

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