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Lake Chapala Society Vision

Our vision is a future where all lakeside residents continually have a role in enriching the community's quality of life, vitality, and prosperity through the exchange of knowledge, expertise, culture and language.

Mission Statement

The mission of the Lake Chapala Society, A.C. (the "Association") is to promote the active participation of Lakesides' inhabitants to improve their quality of life. By making this commitment we signal to the community that our focus is based not just on expatriates, but everyone living at Lakeside.

OBJETIVO

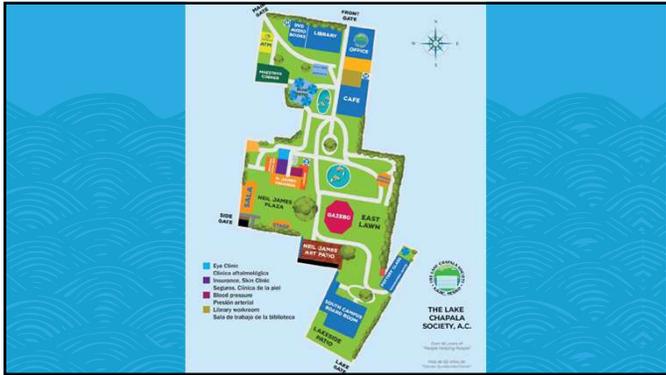
La misión de la Sociedad del Lago Chapala, A.C. (la "Asociación") es promover la participación activa de los habitantes de Lakesides para mejorar su calidad de vida. Al hacer este compromiso señalamos a la comunidad que nuestro enfoque se basa no sólo en expatriados, sino en todos los que viven en Lakeside.

Core Values

- Imagination and innovation
- Trust, mutual respect and integrity
- Cultural and ecological sustainability

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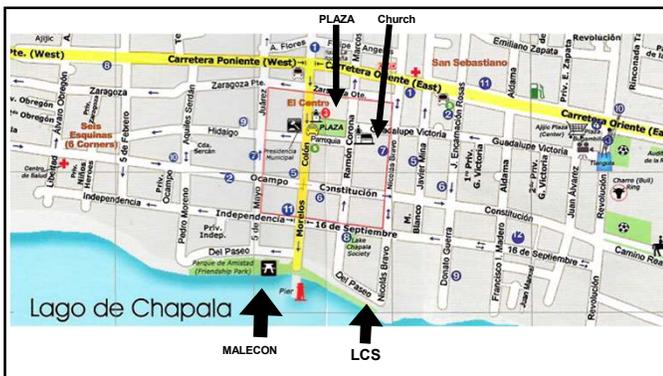
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Steve Balfour
President
The Lake Chapala Society

Members 2,800 usually
Programs 100+

Membership Fees:

Annual \$790	(\$38 USD, \$50 CAD)
Senior 79+ \$620	(\$31.29 USD, \$40 CAD)
Monthly \$270	(\$13.63, \$17.33 CAD)

Join Now
LakeChapalaSociety.com

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LCS 2.0
EXTENDING OUR LEGACY
...as an oasis for personal enrichment,
socialization and collaboration
throughout Lakeside.

President@LakeChapalaSociety.com

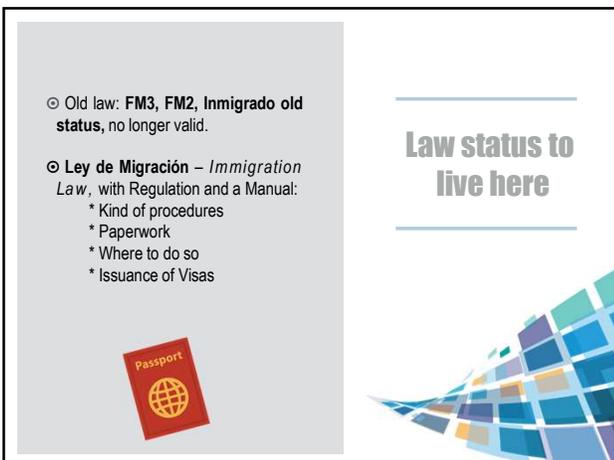
SB4LCS@gmail.com



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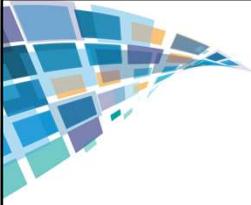



Permanent Resident Status

Persons wishing to live in Mexico **indefinitely**.

- ✓ **Retired (pensioned):** sufficient income
- ✓ Temporary Resident Visa: **4 consecutive years**
- ✓ **Related to a Permanent Resident of Mexico** or a Mexican by birth
- ✓ Why does everybody wants to be a Permanente?

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Temporary vs Permanent Resident Status

- No need for renewals.
- Implicit working permit.
- Avoid capital gains?
- Different rights?

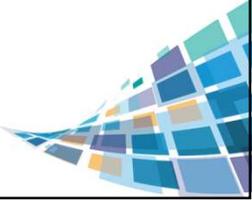


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Process in three steps...

1. Consulate
2. Travel = getting FMM & stamps
3. Referring to Immigration office = getting immigration Residency card

Have you made up your mind?



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The Mexican Embassy / Consulate will require:

- ⊙ Apply in person – not mailed applications
- ⊙ Visa Application Form
- ⊙ Passport / Valid travel and identity document
- ⊙ One photograph
- ⊙ Proof of income
- ⊙ Payment of fees in cash – some take credit card: \$44.00 USD (2021)
- ⊙ Extra requirements?

Temporary & Permanent Resident Steps



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How to apply for Temporary or Permanent Resident Visas



- Schedule appointment.
- **Visa:** document that allows you to enter a country, in this case, as a future resident.
- **Sticker:** in your Passport result of the visit to the Consulate.
- Issued for 180 days. Good for one entry.
- Make sure to get stamps upon arrival back to MX and an FMM with the "other" crossed.
- 30 days to start the Exchange at local immigration office.




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Proof of economic solvency

For Retirees or Pensioners:
2021

Temporal:

- ⊙ Investment receipts / statements: past 12 months of \$708,500.00 MXN (USD 34,561.00 +/- equivalent)
- ⊙ Employment / pension: past 6 months of over \$42,510.00 MXN (USD 2,074.65 +/- equivalent)
- * If Social Security pension: a letter from SS

Permanent:

- ⊙ Investment receipts / statements: past 12 months of \$2,834,000.00 MXN (USD 138,244.00 +/- equivalent)
- ⊙ Employment / pension: past 6 months of over \$70,850.00 MXN (USD 3,456.09 +/- equivalent)
- * Just for retired



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Entry and exchange

Once the Visa has been granted and issued you have 6 months (180 days) to travel to Mexico.

Upon arrival, you **MUST** get your Passport and VISA stamped and get an FMM valid only for 30 days. 30 days only apply no to complete.

With all these, you may proceed to apply at the local immigration office for the Exchange process.

All residents are obligated to report changes of address, marital status, name and citizenship.

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Bringing your Pets

Only cats and dogs. More difficult to bring birds and other species.

Upon arrival to Mexico you must find the SENASICA Office, agency in charge to check among other things the importation of animals.

The personnel of SENASICA of the Office of Inspection of Sanitation (OISA) at the port of entry who will verify.

Your pet does not have open or healing wounds, external parasites or infectious diseases. If any found, you may call your local veterinary to have your pet treated at your expense.

In case of external parasites found a sample will be taken and send to the laboratory for examination, verifying all the external parasites are removed and will be kept in that office till confirmation it is not an exotic and dangerous disease to Mexico.

If your pet is in treatment form infections or skin wounds like scabies, dermatomycosis or alopecia you must show the diagnosis and treatment issued in headed paper and registration from the veterinarian.

When the carrier is dirty a disinfection will be applied and dirty bed or any kind of it can be disposed. It is only allowed one portion of food for the transportation day.

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THANK YOU



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MOVING?



STROM WHITE MOVERS

THE MOST RECOMMENDED AND RESPECTED NAME IN THE LAKESIDE AREA WITH THE LOWEST RATES



1

- Strom White Moving is a door to door international moving company.
- We move in wooden crates called lift vans
- Pros/ cons
- This are crates that measure 7 x 7 x 4 ft
- We handle moves all over the world

2

- **We work with US and Canadian movers to handle your move**
- **Us portion of the move is based on Weight**
- **Mexico portion based on Volume**
- **Temporal and Permanente visas**

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- Menaje de casa needed for Permanente visa holders
- Storage facility short term for clients
- Feel free to download our personalized moving guide, from our website and contact us with any questions.

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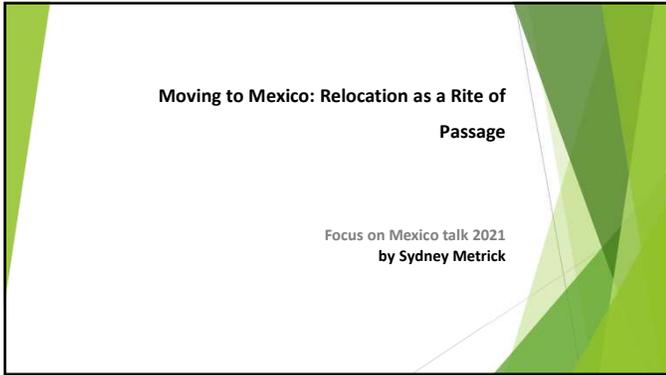


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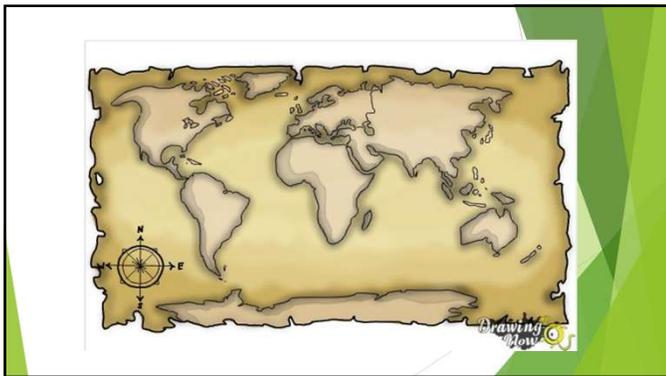
CONTACT US

Carretera Poniente #30
Ajijic , Jalisco, Mexico 45900
US Vonage: 210-745-2479
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EMAIL: info@stromwhitemovers.com
WEBSITE: www.stromwhitemovers.com

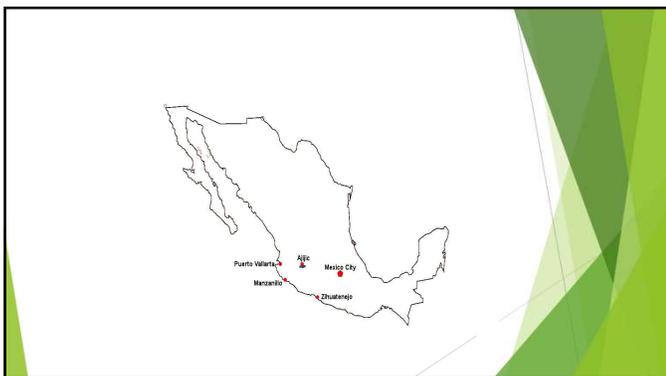
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A Rite of Passage has three stages:

Separation: involves saying goodbye and leaving behind persons, places, or things that have meaning for you, much of which previously contributed to your identity.

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Transition: this is not just about traveling from one place to the next, but rather determining who you are based on who you have been and what you wish to change or expand upon.

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Incorporation includes identifying how the person you have been fits—or must be adapted to—your new life, and finding ways to not only be comfortable with any changes but to acknowledge the reality of your new status.

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The five stages of creating a ritual are:

- Clarifying your intention
- Planning
- Preparation
- Execution
- Evaluation

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As someone once said, "The first step towards getting somewhere is to decide that you are not going to stay where you are."

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Some interesting statistics from the 2017 *Yucatan Times*:

47% of expatriates are women and 53% are men. According to the United States State Department, there are 1.1 million Americans living in Mexico and nearly two million expatriates of all nationalities. Many might fit into the retiree categories—20% of expats fall between the ages of 45–54, and 27% are 55 and above.

U.S. State Department, INEGI, CONAPO, INMA, Forbes, El Financiero

<https://www.theyucatanimes.com/2017/09/have-you-ever-wondered-how-many-expats-live-in-mexico/>

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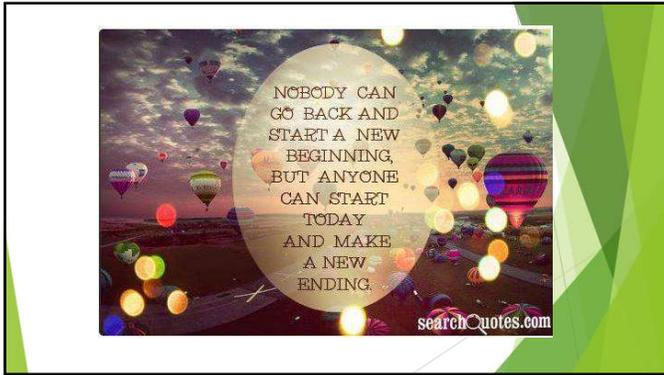
The Lake Chapala area is the fifth most popular place to settle.

Many, but not all older expats are retired. Retired or not, Mexico is a popular destination.

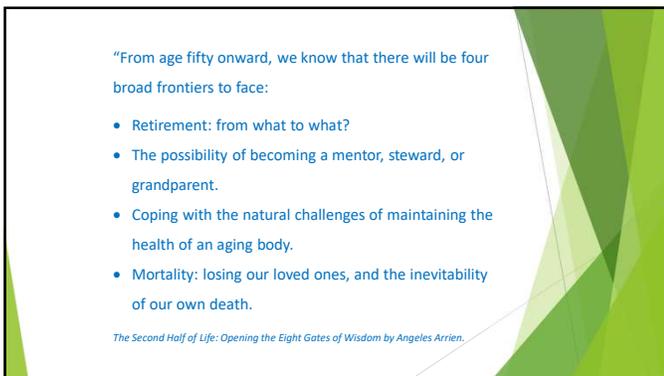
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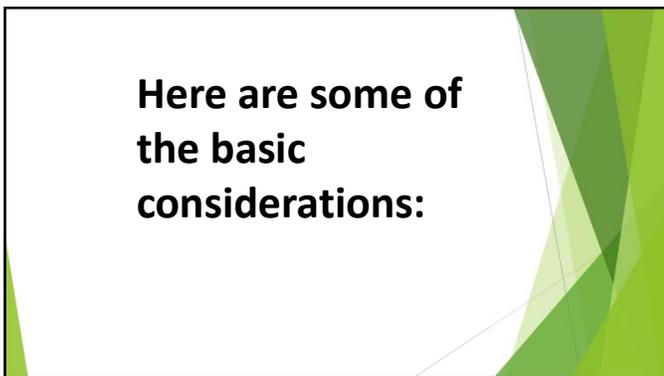
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Research and Planning Details

- Type, size of desired location
- Expat community
- Shopping
- Restaurants
- Transportation options
- Health care
- Immigration
- Driving
- Safety and security
- Religious/spiritual community
- Communications

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Making the Move

- Visas
- Currency/banking
- Renting vs buying
- Mode of transition
- What to leave (sell, store, donate)
- What to bring and how
- Pets
- Change of address
- Voting
- Insurance

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Reach Sydney by email:
SydneyMetrick@gmail.com

Sydney Metrick

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“You have brains in your head. You have feet in your shoes. You can steer yourself any direction you choose. You’re on your own. And you know what you know. And YOU are the one who’ll decide where to go...”

– Dr. Seuss, [Oh, the Places You’ll Go!](#)

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Financial Planning for Gringos in Mexico



Michael Nuschke CFP
 Michael@FocusOnMexico.com
 Skype ID: michael.nuschke

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Key Questions for Snowbirds/Expats in Mexico

- Do I have enough money to support the lifestyle I want?
- How can I protect myself from inflation risk?
- How can I invest my money to get a decent return without a lot of risk?
- How can I generate regular and sustainable income from my investments
- How can I protect myself from currency exchange risk
- Should I become a Non-Resident of Canada/US?
- How to reduce taxes?



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Different Risks in Retirement - Shortfalls of Traditional Planning

- Accumulation years; easy to define goals, vs. income years
- Unknowns of health issues and longevity, family issues
- Little room for investment errors

“If I had more money I'd have a better financial plan. If you had a better financial plan you would have more money.”



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A little bit on “Who is Michael?”



- Retirement Planner / Investment Advisor over 30 years
- Experience with Expat advisory goes back to 1993.
- US citizen, living in Mexico and Canada.
- Took over as a Co-Director of Focus on Mexico 2015, owner in 2017
- Also am a “futurist” and meditation student & instructor



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3 Things to Get - 3 Things to Manage & Minimize



A lifetime of income to meet my expenses?

- **Longevity Risk**

Decent Investment Returns?

- **Sequence of Return Risk**

Inflation Proofing?

- **Inflation Rate Risk**



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Longevity Risk



Average number of years a person lives after retirement is 18 yrs

Over 2/3s of retirees will live 18 years - give or take 9 years

Some people go a lot sooner, others survive OVER 40 years after retirement age

The possible mismatch of money to life = Longevity Risk

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Planning Considerations



- People don't need same income all the way through
- The difference between life expectancy and years of good health
- BUT, consider the possibility of at least one spouse living a long long time



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Years Of Good Health At Age 65



	Male 	Female 
Life Expectancy	16.1	20.0
Good Health	12.9	13.8
Difference	3.2	6.2



Source: Statistics Canada

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Retirement Prime Time



That period of time between when you commence "retirement" and the moment that one of you needs care or passes away



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**Living in Mexico
Could Mean a Longer (Fun) Life**

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- Less Stress
- More Vitamin D!
- More Active and Creative Lifestyles



2005 White House Conference on Aging – Dec 2005

- "... within the next 2 or 3 decades, with advances in medical and related sciences, human lifespan will increase to an unprecedented length. Not only will it be relatively normal for people to live to be 100, but also, they may live to reach the "natural cap" of 120 years and up! Generally, boomers will have better health as they age and the aging process may be notably slowed."
- Recent Advances in Biotechnology, Genetics and Nanotechnology suggest this timeline may be even be conservative.

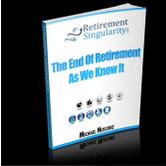
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RetirementSingularity.com

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- ▶ "www.RetirementSingularity.com/facebook"
- ▶ "www.RetirementSingularity.com"
- ▶ Real Potential that in 10-15 years, medical science will enable dramatic increase in "Healthy Life Extension"
- ▶ Stem cells, exosomes, gene therapy, rejuvenate
- ▶ How will your life and society be impacted if you live in decent shape past age 110?
- ▶ Free PDF Download



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**Don't Under-estimate
Longevity Risk**

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- Need \$2,000/month over and above your pensions?

Age 65 – 75 = \$240,000
Age 65 – 105 = \$960,000

- Take away lesson = A Lower Cost of Living means less risk of outliving your money.



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**Life Annuities -
Build Your Own Pension**

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- “Real” Pensions are hard to come by!
- Retirement Gold =
 - Lifetime Guaranteed Indexed Income
- Examples;
 - Gov’t Pension Plans
 - Social Security or in Canada CPP/OAS
- “Roll Your Own” = Life Annuities



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**\$100,000 3% Indexed Life Annuity
Income (Approximate\$\$)**

Male 			Female 		
AGE	Per Month	Per Year	AGE	Per Month	Per Year
55	\$337	\$4,044	55	\$308	\$3,696
60	\$390	\$4,680	60	\$355	\$4,260
65	\$465	\$5,580	65	\$416	\$4,992
70	\$567	\$6,804	70	\$499	\$5,988
75	\$715	\$8,580	75	\$619	\$7,428

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Annuity Income Info

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- Annuity Income determined by interest rates, age, and industry demand factors
- The older you are, the less interest rates matter
- Indexation costs, but usually worth it. 1 – 5%
- Industry guarantees on income (Cdn:Assuris \$2k/mo or 85%)
- Non-Registered annuities have tax advantage as payouts are considered partly non-taxable Return of Capital
- Example; Age 70 male - 86% of income is non-taxable
- Expats cannot buy most insurance products, so...

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SS - CPP
Deferral Worth Considering

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- Recently, full CPP paid at age 65 (\$1,200/mo max)
- Subject to low earning dropout year rules, deferral beyond age 65 increases pension start amount by 6% / year
- CPP deferred to age 70 will be 42% higher then start at age 65 (as of 2013).
- Reduction for taking CPP before age 65 will increase making it less attractive.
- Increase in US Social Security depends on your age

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Delayed Social Security Retirement Credit

Year of birth	Credit per year
1917-24	3.0%
1925-26	3.5%
1927-28	4.0%
1929-30	4.5%
1931-32	5.0%
1933-34	5.5%
1935-36	6.0%
1937-38	6.5%
1939-40	7.0%
1941-42	7.5%
1943 and later	8.0%

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Sequence of Return Risk
and How to Manage It

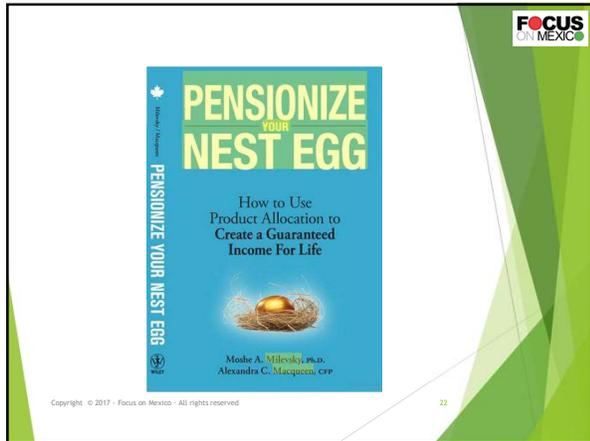
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Investment Dilemma For Retirees

- Capital preservation is critical
- Transition from paycheck - to drawing from assets
- Interest rates very low as Boomers approach Retirement
- High taxation rates – could go higher
- Uncertain markets re huge Global Debt

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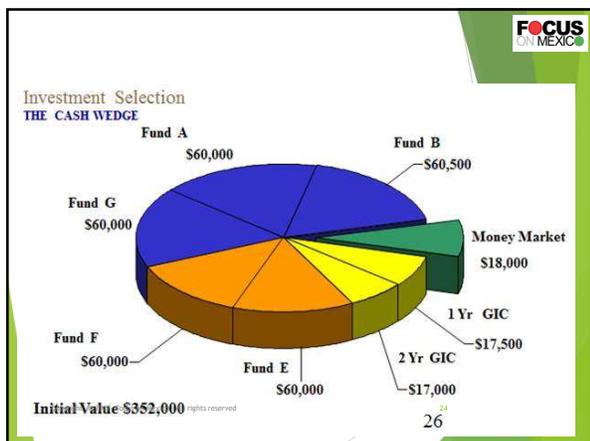


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Managing Sequence of Return Risk

- Set aside Guaranteed Investments to meet next 4-7 years of expected withdrawals = "Cash Wedge" strategy
- Manage portfolio risk by diversification
- Follow an Asset Mix approach and rebalance to keep your risk position appropriate.
- Consider Variable Annuities products as part of your retirement income mix. = Blend of Annuity and Investment Portfolio.

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Risk #3 Inflation Risk and How To Manage It

Simple Definition: Expenses going up faster than income

- Average CPI increase 1950 – 2010 = 3.81%

1950	9.02%
1975	9.32%
1980	12.06%
1990	6.22%

Lesson: Inflation rate not predictable.

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Inflation Eats Into Your Buying Power

- 25 years of just 2% inflation turns \$1,000 into \$606
- At 4% \$1,000 is worth \$367
- Your personal inflation rate may be higher than CPI
- Lesson: Think in “real” inflation-adjusted terms when planning retirement income

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Managing Inflation Risk

- Defer Social Security or CPP (if you can without reducing payout)
- Indexed life annuities (i.e. 2-4%/year increase)
- Variable Annuities = mix of investing & annuity
- Investment strategy that focuses on Growing Dividend income
- Where in the world is long-term growth happening? Technology, “Emerging” Markets
- Inflation Hedge Assets; Real Estate, commodities,
 - Gold, Bitcoin

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Currency Risk - Part of Inflation Risk

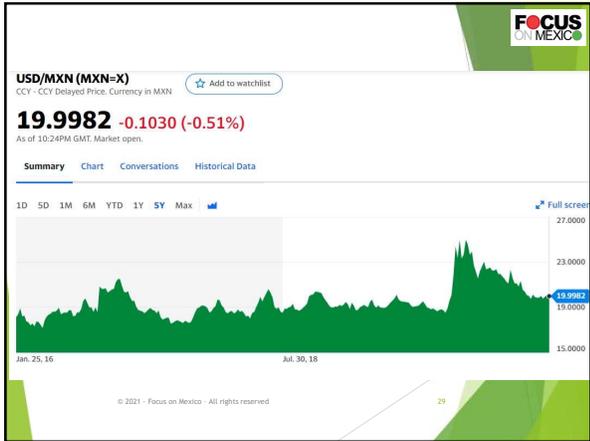
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Definition: When your expenses are in a different currency than your income

- Pension indexation based on home country, not Mexican expense inflation
- Mexican price inflation is higher (about 4-6%)
- What is your mix of expenses by currency?
 - Peso expenses
 - US dollar expenses
 - Canadian dollar expenses
- What is your mix of income by currency?
- The mismatch of expense/income is your risk

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Managing Currency Risk



- “Buy” some foreign currency (cash/deposits/investments)
 - Peso Interest-bearing deposits
 - Mexican equity (or funds)
- “Buy” some income in the foreign currency
 - US or Mexican income generating investments i.e. rental property
- Consider investments that Hedge currency exposure
 - Example; Currency ETFs (Bull & Bear versions)
 - Warning; there are risks to these. Don't invest without fully understanding.



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THE FINANCIAL PLANNING PROCESS



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Retirement Planning is More Than Money



- Love and Companionship
- Purpose/fulfilment
- Recreation Travel
- Security
- Health
- Accommodation



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LIVE LONG AND PROSPER!



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Financial Planner**

Michael@FocusOnMexico.com
I invite you to email me with questions!



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