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**How to Retire in Portugal From The United States- A Haven of Culture and Beauty**

Portugal is one of the best places for United States citizens to retire. With beautiful beaches that span 497 miles,

Portugal provides plenty of activities to keep you busy, including world-class golf resorts, marinas, museums, and restaurants that are known for their fabulous cuisine.

Portugal is one of the last treasured places known as the “Old World” in Western Europe. Weather in the northern region of Portugal is cooler and drier and the region accumulates more rain. The climate in the south region is drier and warmer. Pristine coastlines have a small annual temperature range identified as Maritime weather.

You're probably thinking, " Should I retire here? It is a big decision to move to a foreign country. Rest assured, it's easier now than ever to retire in Portugal.

**What are The Best Locations To Retire in Portugal?**

**Lisbon**

Lisbon is the capital of Portugal, the country’s largest city. Lisbon is recognized as an alpha level Global City by The Globalization and World Cities Research Network (GaWC). The research network highly rates commerce, entertainment, the arts, international trade education, and tourism in how cities are recognized by the global economy compared to other cities. The rankings are based on cultural factors rather than political factors.

Lisbon has plenty of museums, monasteries, a world-class orchestra, and an abundance of bars and restaurants and plenty of weekend getaways that are within a 30-minute drive.

**Alentejo**

Further south of the coast of Lisbon is Alentejo. The Alentejo region in southern Portugal is home to the finest restaurants, great wineries, and breathtaking natural landscapes. Alentejo has over 250 wine producers. The area is full of undiscovered countryside’s and is a great place to experience solitude. Alentejo allows you to retreat away from the bustle of Lisbon.

**Alfama District of Lisbon**

If you love climbing stairs that take you to wonderful viewpoints, you will fall in love with the architecture and winding cobblestone streets in Alfama. Walking up to reach the National Pantheon, you will see panoramic views overlooking the Lisbon waterfront. The streets are lined with flaking paint on colorfully painted buildings, laundry lines that hang clothes from terraces, and the smell of sardines from the fish markets. This is every day authentic living with imperfections and beauty that is so perfectly tied together.

**Cascais**

 If you're seeking a more tranquil are to settle into, consider retiring in the coastal town of Cascais. This seaside community is only 30 minutes away from Lisbon. Many of the homes are from the 19th Century are large, expensive and luxurious. The town has a busy Marina and out of this world scenery, it is an attraction for many writers and artists.

**Coimbra**

Think about retiring to the town of Coimbra? Located in central Portugal it is the largest municipality of the four other metropolises in the country. it's known for being a University Town and is located on the banks of river Mondego about two hours away from Lisbon. Combria has a deep cultural heritage and has one of the oldest universities in the world, The University of Coimbra. Living in Coimbra is less expensive than Lisbon and other and surrounding towns the Algarve. Apartments for sale can be found for under $80,000.

Attending festivals in Portugal is an excellent way to experience the country's culture and meet new people. Most of the villages and cities celebrate Portuguese history with music, food, and gay pride festivals and more almost every month.

**What Are The Steps To Retiring in Portugal?**

Deciding to retire in Portugal requires sound financial advice and conscientious planning. The ability to stretch the U.S. dollar in Portugal is very attractive for U.S. citizens.

U.S. citizens can apply for a Visa through the Portuguese Consulate in the United States to stay for 90 days. If you are not staying for over 90 days, you will require a tourist visa, and your passport must be valid for those three months of stay. Your passport from the United States must be current of up to ten years past. United States citizens intending to stay in Portugal to establish permanent residency must request the respective long-stay visa.

Portugal immigration policy has an agreement with the United States that allow nationals to stay in Portugal for 90 days within a six-month period no visa is required for Portugal. After staying in Portugal for three months you will need to apply for a long-term Visa. This will start the process for Portuguese residency.

The cost of a long-stay visa in Portugal costs approximately $115.00. After five years of residency, you may apply for permanent residence in Portugal. After living in Portugal for six years you are eligible to be a citizen of the country. If you are claiming citizenship by marriage permanent residency would be available in three years.

The U.S. Embassy in Lisbon Portugal processes certificates of loss of nationality for U.S. citizens who want to relinquish their U.S. citizenship and have expatriated themselves. US citizens must physically appear at the US Embassy in Lisbon Portugal to renunciate any loss of nationality. This cannot be done by an agent or by mail from the United States due to provisions of the Immigration and Nationality Act.

In plain English, a person who is national of the United States by birth or naturalization shall lose his nationality by making a formal renunciation of nationality before a diplomat Consular Office of the United States in a foreign state.

**The Pros and Cons of Retiring In Portugal**

Parents cannot renounce their U.S. citizenship on behalf of their children. Be aware, contemplating renunciation of the US nationality unless the party has possessed a foreign nationality or has complete assurance of another nationality after completing their renunciation, the consequences can be severe placing a burden and hardship on oneself.

Renouncing US citizenship before 18 and anyone who is within the six months turning 18 years old the claim to the United States nationality at the Secretary of State regulates would not be deemed to have expatriated himself stateless persons find it difficult to travel as passports call to obtain from any country, in particular with the United States.

Renouncing U.S. citizenship is an irrevocable action, you can risk being stateless. Persons who have renounced citizenship are required to apply for a new visa to travel to the US. If you are found ineligible for a Visa, you could be permanently denied re-entry to the United States. The Trump administration’s agenda on immigration is the centerpiece of his presidency. Immigration policies are harsher than ever before.

**How Do I Manage My Finances and Pension When Retiring To Portugal From The United States?**

You probably want to know about withdrawing from your retirement accounts. Transferring a pension from the United States is done via an offshore pension scheme. Consulting with a tax advisor and financial planner is advised. Have them check well in advance the regulations with tax laws when transferring funds from the United States to Portugal.

Great News! There are considerable tax and investment advantages to [transferring](https://www.worldfirst.com/us/blog/your-money/expats-send-money-overseas/) a pension to Portugal. Retirement income is not taxed in Portugal. Recent legislation in Portugal allows you to receive retirement income tax-free. There is a law that provides reduced taxes on interest and dividends, and capital gains and wages earned.

If you are planning on receiving any form of income, it Is required to complete form fiche de inscricao to your local tax office. The tax form will be filed annually if you have resided in Portugal for 180 days or more in the calendar year. Taxes are paid on worldwide and local income.

The type of income that is liable for taxes is any revenue from employment, professional business income, rental income and capital gains. Investment income is taxed at a rate of 28%. There is a wealth tax in Portugal there with an annual tax rate of 0.3% for Portuguese properties that are worth more than $697,000. For property owners that own assets valued at a million dollars or more in Portugal, there is a stamp Duty tax of 1 %.

On the plus side, there are [tax benefits](https://www.worldfirst.com/us/blog/your-money/5-tax-tips-every-us-expat-know/) for new residents with substantial assets. There are tax exemptions for Portuguese residency during the first 10 years. Income from jurisdictions Portugal considers being tax Havens are taxed at a higher rate of 35 %. You will need to check with the Portuguese tax authority to see alternative jurisdictions that are approved at a lower tax rate The Portuguese government is considering a flat rate tax of 10% on foreign pensions after 2018.

Portuguese inheritance law has a system that is called forced heirship even if you have stipulated certain things in your Portuguese will. Certain relatives will be entitled to portions of your estate.

The IRS states this fact- "If you are a resident of both the United States and another country under each country's tax laws, you are a dual resident taxpayer. If you are a dual resident taxpayer, you can still claim the benefits under an income tax treaty. The income tax treaty between the two countries must contain a provision that provides for resolution of conflicting claims of residence."

**What Does It Cost To Live in Portugal?**

The costs of living are lower than other places in Europe. There are many positive advantages to retiring to Portugal. The country has a low cost of living, less pollution than in the United States. It is rated a safe country to live in. The services and competency of the staff of the businesses are highly rated at 75%.

The good news is the cost of living in Portugal is 27% lower than living in the United States. Your [social security benefits](https://www.worldfirst.com/us/blog/careers/retiring-overseas-6-things-know/) will certainly stretch further here, allowing you to do more things with your money. If you're renting in Portugal expect to pay approximately 47% less than the rental cost in the United States. The money you [saved for retirement](https://www.worldfirst.com/us/blog/your-money/much-cost-retire/) goes a long way in Portugal.

Renting an apartment in the city of Lisbon, or another city center of Portugal, you can expect to pay around $700 a month for one bedroom. Three bedrooms can be found for $1,200 a month. In the city of Lisbon, the rents are about

If you're looking to rent an apartment in Lisboa district (Lisbon) rents for apartments range $14.00 to $16.00 per square foot. Rentals in the Algarve district are about $2.00 per square foot.

Dining out in Portugal is a gastronomic experience with the simplest ingredients woven into recipes that are very tasty and have a Mediterranean influence. Dining in a mid-range restaurant does not cost very much, considering you are getting the freshest food brought to your table. A meal for two people would run around $35.00.

**The difference in retiring in Spain vs. Portugal**

Portugal and Spain have many attractive commonalities. Both countries enjoy similar climates, cuisine, beautiful landscapes. Healthcare costs in the two countries are lower than in the U.S. The Spanish language is similar to the Portuguese language, but Spanish is more widely spoken.

Both countries have some of the best coastal regions in Europe. The capital city of Spain, Madrid can get extremely hot in the summertime, similar to the high temperatures and humidity occurring in the city of Miami, Florida. Lisbon is known for milder winters and cooler summers then Madrid. Portugal’s cities are cleaner with less pollution and congestion.

The costs of living in Portugal versus Spain is cheaper, making Portugal the attractive destination for retirement for those with limited incomes and savings.

**Property Values**

Let’s look at the differences in the values of property between the two countries. In Spain, Costa del Sol is one of the most popular regions to retire to. The average property price in the Costa del Sol area of Spain is approximately $1,644.13 per square foot compared to $1,373 per square foot in Lisbon.

 In Portugal, the golden Visa program allows property buyers from the United States an incentive that rewards them with a residency permit. Foreign investors from non-EU countries to obtain permanent residence in Portugal if they purchase a property valued over $580,000. The investment must be held for a minimum of five years, and you would be eligible for citizenship after 6 years.

*Nice perk! The costs of living in Spain or Portugal is almost 30 percent less than the United States.*

Gas in Spain is much higher than the U.S. with an average gallon of gas topping over $5.50. Consumer prices in Spain are 37 percent higher than in Portugal. Rental pricing in Spain is 5.76 percent higher. Your wallet will feel the pinch eating out in Spain as the average meal is about 28 percent higher than eating out in Portugal.

Y**ou’ll Learn To Love Living Like a Native of Portugal**

Portugal is an enchanting European country and a perfect place to consider retiring. One could only have happy memories each day retiring in Portugal. You’ll always enjoy amazing moments that have passed the day before, which you experience everyday living in Portugal. That my friend can be experienced in Portugal.

If you’re looking to [send money overseas](https://www.worldfirst.com/us/private/), [Worldfirst](https://www.worldfirst.com/us/transfer-money/) can save you on hundred in transfer fees and make your dollar go further. Instead of credit cards that charge a premium, find out how to send money faster and cheaper.

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