

DAVIES WEALTH MANAGEMENT

The Treasure Coast Retirement Checklist

9 steps to take before you retire in Florida — covering income, taxes, healthcare, estate planning, and the decisions that can't be undone.

Davies Wealth Management

Fee-Only Fiduciary | Stuart, Florida

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Before You Retire: The 9 Steps That Matter Most

Retirement in Florida offers extraordinary advantages — no state income tax, homestead protection, and year-round quality of life. But the financial decisions you make in the 2-5 years before retirement are often irreversible and can mean the difference between thriving and just getting by.

\$0

FLORIDA STATE
INCOME TAX

\$50K

HOMESTEAD
EXEMPTION

65+

ADDITIONAL PROPERTY
TAX EXEMPTION AGE

1

Calculate Your Retirement Income Need

Most retirees need 70-85% of pre-retirement income. But the real number depends on your lifestyle, healthcare costs, travel plans, and whether your mortgage is paid off. Map every income source: Social Security, pensions, 401(k)/IRA withdrawals, rental income, and part-time work. Identify the gap between income and expenses — that gap must be funded from savings.

2

Optimize Your Social Security Timing

Claiming at 62 reduces your benefit by up to 30% permanently. Waiting until 70 increases it by up to 32% over your full retirement age benefit. For a couple, coordinating claiming strategies can add \$100,000+ in lifetime benefits. Run the numbers for ages 62, 67, and 70 — don't default to the earliest option.

3

Build Your Healthcare Bridge (Pre-Medicare)

If you retire before 65, you need health insurance until Medicare kicks in. Options: COBRA (18 months max, expensive), ACA marketplace (income-dependent subsidies), spouse's employer plan, or health-share ministries. Budget \$1,000-\$2,500/month per person for pre-Medicare coverage. This is the #1 expense retirees underestimate.

FLORIDA-SPECIFIC ADVANTAGE

Florida has no state income tax on retirement income — including Social Security, pensions, 401(k) withdrawals, and IRA distributions. If you're relocating from a high-tax state, proper domicile establishment before your first retirement account withdrawal can save tens of thousands annually.

4

Create a Tax-Efficient Withdrawal Strategy

The order you draw from accounts matters enormously. Drawing from taxable accounts first, then tax-deferred (401k/IRA), then tax-free (Roth) is the conventional wisdom — but it's not always optimal. Consider Roth conversions in low-income years between retirement and Social Security/RMDs. The years between 59.5 and 72 are the "golden window" for tax planning.

THE ROTH CONVERSION WINDOW

Robert, age 62, retires with \$1.8M in a traditional IRA. His income drops from \$180K to \$40K (pension only) until Social Security at 67.

For 5 years, he's in the 12% or 22% bracket — far below his working years' 32% bracket. By converting \$80K-\$100K/year to Roth during this window, he pays tax at 12-22% instead of the 24-32% rate RMDs would force later.

Estimated lifetime tax savings: \$120,000-\$200,000

Illustrative example only. Actual savings depend on individual tax situation, future tax rates, and investment returns.

5

Review and Update Your Estate Plan

Florida estate law differs from most states. Review your will, trusts, powers of attorney, healthcare surrogate designation, and beneficiary designations on ALL accounts. Florida's homestead protection is among the strongest in the nation — but it requires proper titling. If you're relocating to Florida, your existing estate plan may not work under Florida law.

Florida Estate Planning Essentials

- Last Will and Testament (Florida-valid)
- Revocable Living Trust
- Durable Power of Attorney
- Healthcare Surrogate Designation
- Living Will (end-of-life directive)
- HIPAA Authorization

Florida-Specific Protections

- Unlimited homestead creditor protection
- Tenancy by entireties (married couples)
- No state estate tax
- \$50,000 homestead property tax exemption
- Additional \$25K exemption for 65+ (income-based)
- Portability of deceased spouse's estate tax exemption

6

Right-Size Your Insurance Coverage

Retirement changes your insurance needs. You may no longer need disability insurance (no earned income to protect). Life insurance needs may decrease if your mortgage is paid and children are independent. But long-term care insurance becomes critical — the average Florida nursing home costs \$9,000-\$11,000/month. Medicare doesn't cover long-term care.

INSURANCE TYPE	WORKING YEARS	IN RETIREMENT	ACTION
Health Insurance	Employer-provided	Medicare + Supplement/Advantage	Enroll during initial enrollment period
Life Insurance	Often needed (dependents, mortgage)	May reduce or eliminate	Review need based on estate plan
Disability	Critical (protects income)	No longer needed	Cancel at retirement
Long-Term Care	Optional (lower premiums if young)	Important consideration	Evaluate hybrid LTC/life policies
Umbrella Liability	Recommended (\$1M+)	Still recommended	Maintain or increase

STEPS 7-9

7 Prepare for Medicare (Don't Miss Your Window)

Medicare enrollment windows are unforgiving. Your Initial Enrollment Period is a 7-month window around your 65th birthday. Miss it, and you face a permanent 10% penalty on Part B premiums for every 12 months you were eligible but didn't enroll. High earners pay IRMAA surcharges — plan your income 2 years in advance since Medicare uses your tax return from 2 years prior.

THE IRMAA TRAP

Medicare Part B and Part D premiums increase if your modified adjusted gross income exceeds \$103,000 (single) or \$206,000 (married). A large Roth conversion, capital gain, or pension lump-sum in the wrong year can trigger thousands in extra premiums for two years. Plan your income carefully in the years approaching 65.

8 Establish Florida Domicile (If Relocating)

If you're moving to Florida from another state, establishing proper domicile is essential for tax savings. It requires more than just buying a home. Your former state may try to claim you're still a resident — especially states like New York, California, and New Jersey that aggressively audit departing high-income residents.

Florida Domicile Checklist

- Florida driver's license
- Florida voter registration
- File Florida Declaration of Domicile (county courthouse)
- Homestead exemption application
- Re-register vehicles in Florida
- Update address on all financial accounts
- File final state tax return in former state as "part-year resident"
- Move primary banking to Florida
- Update will and trusts under Florida law
- Spend 183+ days per year in Florida
- Join Florida organizations, clubs, religious institutions
- Keep a detailed calendar of days in each state

9

Stress-Test Your Plan Against Real Risks

A retirement plan isn't complete until it's been tested against the things that can break it. Run scenarios for: a major market decline in your first 3 years (sequence of returns risk), one spouse needing long-term care for 3+ years, inflation averaging 4-5% instead of 3%, living to age 95+, and an unexpected \$100K+ expense. If your plan survives all five scenarios, it's robust.

THE TREASURE COAST RETIREMENT LIFESTYLE

Stuart and the Treasure Coast offer a lower cost of living than South Florida, excellent healthcare (Cleveland Clinic Martin Health), no state income tax, world-class fishing and boating, and a vibrant community of active retirees. The financial advantages of retiring here are real — but only if the planning behind them is solid.

Your Complete Pre-Retirement Checklist

Print this page. Work through each item with your advisor. Check them off as you complete them.

5 Years Before Retirement

- Calculate retirement income need (70-85% of current)
- Estimate Social Security benefit at 62, 67, and 70
- Review all retirement account balances
- Pay down or plan for mortgage payoff
- Begin Roth conversion strategy if applicable
- Research long-term care insurance options
- Start building cash reserves (1-2 years expenses)

2-3 Years Before Retirement

- Draft retirement budget (detailed monthly expenses)
- Create tax-efficient withdrawal sequence
- Review and update estate plan for Florida law
- Evaluate healthcare bridge options (if retiring pre-65)
- Consider catch-up contributions (401k, IRA)
- Research Medicare options and IRMAA thresholds
- Plan domicile change if relocating to Florida

1 Year Before Retirement

- Finalize Social Security claiming strategy
- Confirm healthcare coverage for gap period
- Update all beneficiary designations
- Review insurance needs (reduce/eliminate some)
- Set up systematic withdrawal plan
- Establish Florida domicile (if applicable)
- File homestead exemption by March 1

At Retirement

- Enroll in Medicare (if 65+)
- Begin pension payments (if applicable)
- Roll over employer 401(k) to IRA
- Cancel disability insurance
- Set up quarterly estimated tax payments
- Schedule first annual review with advisor
- Celebrate — you've earned it

THE MOST COMMON MISTAKE

The #1 retirement planning mistake isn't picking the wrong investments — it's not having a coordinated plan that connects income, taxes, healthcare, estate planning, and risk management. These pieces interact in ways that generic online calculators can't capture. A fee-only fiduciary can model your specific situation and find opportunities that save thousands.

Retirement Is Too Important for Guesswork

Schedule a complimentary retirement readiness review. We'll walk through your checklist together, identify gaps, and build a plan specific to your Treasure Coast retirement.

[Schedule Your Free Consultation](#)

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