

Nicaragua's Retiree Benefit Program Makes Retirement in Nicaragua Easy

The country's "retiree" program is much like the Costa Rican program was in the 1980s, attracting thousands of expatriates to Nicaragua. To be eligible, you need only be over 45 years old and have a monthly income of at least \$600. The Nicaraguan government provides significant tax incentives for foreigners and encourages investment in the country.

The benefits come mostly in the form of tax incentives or permissions. As a foreign retiree, you:

- Pay no taxes on any out-of-country earnings.
- Can bring up to \$20,000 of household goods, for your own home, into Nicaragua duty-free.
- Can take advantage of a sales tax exemption on home construction materials up to the first \$50,000.
- Can import or purchase one automobile for personal or general use duty- tariff-free up to \$25,000, and sell it, tax-free, after five years. A side note here, you can not import vehicles that are 10 years older.
- Can import an additional vehicle every five years under the same duty exemptions. Get into national parks and monuments for the lower Nicaraguan (not the foreigner) price.
- Can open a local bank account. A side note. You can open a bank account prior to getting residency card. Lot of paperwork is required, letter of introduction from two local people using same bank, refence letter from your bank, US tax return for 1 year. Letter from your US Bank that show your average balance, passport, social security card, 2 pictures.
- Can buy things on credit.
- Can get a Nicaraguan phone plan.

Many retirees are moving to Nicaragua to take advantage of the country's amazing coastline, its colonial cities and the new place in the mountains.

Nicaragua's lower cost of living does not mean you have to sacrifice the quality of life you have been accustomed to in the U.S. or Canada. In fact, you will probably be able to live in Nicaragua with even more luxuries than you are accustomed to, simply because the prices are so economical. Many live comfortably on \$1,200 a month for a couple. Spend \$2,000 and you're living in high style. A single person can live very well on much less.

If you decide to give Nicaragua a test drive before settling here or purchasing real estate, you'll find rents to be very reasonable. In most cities in Nicaragua, rent for a small apartment runs \$300 to \$500 and a family-size home runs \$700.

A month of groceries for a couple runs under \$300, including vegetables that cost a fraction of what you'd pay in the U.S. Eating out is cheap too. Lobster dinners with all the trimmings will set you back \$15. At restaurants in the municipal market you'll pay just \$3 for a complete meal of rice, beans, and chicken, fish, or beef. And a beer at a restaurant is \$1.25.

Depending on usage, your utility bills will probably cost between \$50 to \$75 for electric and water, and \$75 for high-speed Internet. When it comes to looking after yourself, Nicaragua is very affordable, a haircut will cost about \$10 and you can treat yourself to an hour-long massage for \$30. For getting around, in-town taxi fares are generally \$1 to \$2. A comment here, most expats that live in Granada have found that its best to limit air conditioning use due to the high cost of electricity.

Most hotels and some Airbnb properties may charge extra for air-conditioning us. However if you live outside of Granada such as Diria, Lake Apoyo you will find that you will not require any air-conditioning do to the nice cool winds and higher elevation and open space.

One of the best ways to save money in Nicaragua as an expat is to remember that imported goods (food, household items, clothing, etc.) cost more here than in the U.S. On the other hand, expats can save lots of money by buying Nicaraguan products and by adapting to the Nicaraguan lifestyle when possible.