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Moving to Spain: Financial Prep Checklist

Get your financial house in order before you leave — this is easier to do from the US than from abroad

Financial preparation has some of the highest stakes of anything on this list. A few items have timing considerations that make early action genuinely important — particularly around retirement accounts, state tax residency and the Beckham Law window. For the ongoing tax picture once you're living in Spain, see our Spanish Taxes for Expats guide at us2es.com.

Banking & Account Setup

Most expats keep at least one US bank account after moving — you'll need it for tax refunds, investment distributions, Social Security payments and ongoing US expenses. The question isn't whether to keep a US account but which one and how to set it up for international use.

- ☐ Decide which US bank accounts to keep and which to close or consolidate
- ☐ Notify all banks and credit card companies you're keeping that you'll be living abroad permanently
- ☐ Set up international wire transfer access on all accounts you're keeping
- ☐ Confirm your US bank will allow account maintenance from a foreign address — some banks restrict this
- ☐ Set up online and mobile access and confirm it works with a foreign IP address — use a VPN if needed
- ☐ Open a Spanish bank account before or immediately after arriving — required for most financial transactions in Spain
- ☐ Set up a Wise or similar multi-currency account for day-to-day currency management between dollars and euros
- ☐ Cancel or consolidate US accounts you no longer need — simplify before you leave

-> *For Spanish banking information: —* [Spanish Banking Guide]

International Money Transfers

Moving large sums between the US and Spain through a regular bank is expensive and slow. Specialist transfer services offer significantly better exchange rates and lower fees and are widely used by expats for large transfers.

- ☐ Research and open accounts with one or more specialist transfer services (Wise, Currencies Direct, OFX, TorFX)
- ☐ Understand the EUR/USD exchange rate and how it affects your purchasing power — set up rate alerts
- ☐ If making a large transfer for a property purchase, research forward contracts — these lock in an exchange rate for a future date and protect against adverse rate movements
- ☐ Understand reporting requirements for large transfers — transfers over $10,000 may trigger bank reporting obligations
- ☐ Set up recurring transfer arrangements if you'll be moving money regularly (pension, Social Security, investment distributions)

Investment & Retirement Accounts

US investment and retirement accounts don't disappear when you move to Spain but they do become more complicated. Spanish tax treatment of US retirement accounts is an area where professional advice is genuinely valuable before you move rather than after.

- [ ] Review all investment and retirement accounts (401k, IRA, Roth IRA, brokerage) with a US expat financial advisor before moving
- [ ] Understand how Spain taxes distributions from US retirement accounts — this varies by account type and is not straightforward
- [ ] Check whether your current brokerage will allow account maintenance from a Spanish address — some US brokerages restrict or close accounts for foreign residents
- [ ] If your brokerage restricts foreign residents, research alternatives before you move — some brokerages are more expat-friendly than others
- [ ] Review your investment allocation with your move timeline in mind — large distributions or Roth conversions may be worth considering before you establish Spanish tax residency
- [ ] Update beneficiary designations on all retirement accounts
- [ ] Understand Required Minimum Distribution (RMD) obligations if applicable and how they interact with Spanish tax residency

US Tax Preparation

Moving to Spain doesn't end your US tax obligations — US citizens are taxed on worldwide income regardless of where they live. The year of your move is particularly complex since you'll be filing as both a US and potentially Spanish taxpayer for part of the year.

- [ ] Find a US expat tax advisor before you move — ideally one who understands both US and Spanish tax systems
- [ ] Understand the Foreign Tax Credit and Foreign Earned Income Exclusion and how they apply to your situation
- [ ] Understand FBAR (FinCEN Form 114) requirements — if you hold more than $10,000 in foreign bank accounts at any point during the year you must file
- [ ] Understand Form 8938 (FATCA) requirements — foreign financial assets above certain thresholds must be reported
- [ ] File a final state tax return if required — research your state's tax residency termination requirements before you leave
- [ ] Consider the timing of income recognition before your move — large capital gains, Roth conversions or other taxable events may be better handled before you establish Spanish tax residency
- [ ] Set up a system for receiving US tax documents from abroad — W-2s, 1099s, brokerage statements

-> *For US-Spain tax overview: [Spanish Taxes for Expats]*

Spanish Tax Planning

Once you establish Spanish tax residency you'll be subject to Spanish income tax on your worldwide income. Understanding the basic framework before you arrive helps you make better financial decisions in the months leading up to your move.

- [ ] Understand when you become a Spanish tax resident — generally after 183 days in Spain in a calendar year
- [ ] Coordinate your move date with the Spanish tax calendar to manage your first year of Spanish tax residency
- [ ] Research the Beckham Law (Regimen Especial de Trabajadores Desplazados) — a flat 24% tax rate available to qualifying new residents for up to six years. You must apply within six months of registering with Spanish social security
- [ ] Understand how Spain taxes different income types — employment income, pension income, investment income and capital gains are all treated differently
- [ ] Research Spanish wealth tax (IP) thresholds for your region — Valencia offers a 1.3M euro exemption per person
- [ ] Find a Spanish gestor or tax advisor (asesor fiscal) before or shortly after arriving

-> *More about a gestor— [Gestores in Spain]*

Social Security & Pensions

Social Security and pension income don't stop when you move abroad but there are administrative steps to take before you leave and tax implications worth understanding before they become relevant.

- [ ] Confirm your Social Security benefit amount and payment schedule before leaving
- [ ] Set up international direct deposit for Social Security payments to your US bank account
- [ ] Notify the Social Security Administration of your foreign address
- [ ] Understand how Spanish tax residency affects the taxation of your Social Security benefits — US Social Security is generally taxable in Spain under the US-Spain tax treaty
- [ ] If you have a pension, confirm international direct deposit is set up and notify your pension provider of your address change
- [ ] Understand how your pension is treated under Spanish tax law — get advice from your expat tax advisor
- [ ] If you're not yet receiving Social Security, understand how living abroad affects your future benefit and any timing decisions

Insurance

Insurance needs change significantly when you move abroad. Health insurance in particular has timing requirements tied to your visa application — don't leave this to the last minute.

- [ ] Arrange Spanish private health insurance before your visa application — required for the NLV and must meet specific coverage requirements
- [ ] Do not cancel US health insurance until Spanish coverage is confirmed and active — the two should overlap during the transition period
- [ ] Understand Medicare rules for living abroad — coverage outside the US is extremely limited
- [ ] Cancel or adjust US home insurance once your US property is sold or transferred
- [ ] Research Spanish home insurance (seguro de hogar) — required by most Spanish mortgage lenders and worth having regardless
- [ ] Review life insurance policies — confirm whether existing US policies remain valid for foreign residents and update beneficiaries

-> *For more about Spanish Healthcare — Healthcare in Spain*

Estate & Legal Documents

A major international move is a natural trigger to review estate documents. Spanish inheritance tax is administered regionally and works very differently from the US — worth understanding before it becomes relevant for your heirs.

- ☐ Review and update your will before moving — a major international relocation is a natural trigger for this
- ☐ Understand how Spanish inheritance tax works and how it affects your heirs — it is administered regionally and varies significantly by location
- ☐ Consider whether you need a Spanish will in addition to your US will — many expats maintain both
- ☐ Arrange a US power of attorney for someone you trust to handle financial and legal matters in the US on your behalf
- ☐ Update beneficiary designations on all financial accounts, retirement accounts and insurance policies
- ☐ Store digital copies of all estate documents securely in cloud storage and make sure a trusted person knows where to find them

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For more detail on any of these topics visit **us2es.com**