JLA FINANCIAL PLANNING

Puerto Rico Retirement & Tax Planning Checklist

A practical self-review for professionals, federal employees, business owners, and anyone preparing for retirement in Puerto Rico.

EDUCATIONAL GUIDE

Juan L. Aquino, MBA, CCFP, CPFC, FRC
Specialist in Financial & Tax Planning · San Juan, Puerto Rico

BEFORE YOU BEGIN

How to Use This Checklist

Most financial problems are not caused by bad decisions. They are caused by decisions nobody ever got around to making — a beneficiary form never updated, a policy never re-read, a retirement date never actually calculated.

This checklist is designed to surface those gaps. Work through it honestly and without rushing. Check the box only when you can answer the item with real confidence, not a general sense that it is probably fine.

Every box you cannot check is not a failure. It is simply a question worth raising — with your spouse, your accountant, or a financial professional who understands how Puerto Rico's rules interact with your situation.

> **WHAT THIS GUIDE IS**
>
> A structured self-assessment covering retirement readiness, tax coordination, insurance and asset protection, investments, and estate planning — written for people who live and plan in Puerto Rico.

> **WHAT THIS GUIDE IS NOT**
>
> It is not tax, legal, or investment advice, and it does not recommend any specific product or strategy. Puerto Rico's tax code and federal rules change over time, and how they apply depends entirely on your individual circumstances. Use this as preparation for a professional conversation — not as a substitute for one.

SUGGESTED APPROACH

1. Set aside 20–30 minutes. Gather recent statements if you have them nearby.
2. Move through Sections 1 through 5 in order. Skip nothing.
3. In Section 6, complete only the block that matches your situation.
4. Use the Notes pages at the end to write down every unchecked item.
5. Bring that list to your next conversation with a financial professional.

SECTION ONE

1. Retirement Preparation

The goal here is specificity. "I'm contributing to my retirement" is not a plan. Knowing what your monthly income will be, and whether it covers your actual expenses, is.

WHERE YOU STAND TODAY

- ❑ I know approximately how much I have saved across all retirement accounts combined — including any from previous employers.
- ❑ I know what percentage of my income I am currently saving for retirement.
- ❑ I have located and can access every retirement account in my name, including old or dormant ones.
- ❑ I have reviewed my Social Security earnings statement within the past 12 months.

WHERE YOU ARE GOING

- ❑ I have chosen a target retirement age, and I have checked whether my current savings rate can realistically support it.
- ❑ I have estimated my retirement expenses based on the life I actually intend to live — not simply today's spending carried forward.
- ❑ I know approximately what my monthly retirement income will be, in dollars, from all sources combined.
- ❑ I have identified the gap, if any, between that expected income and my expected expenses.

STRUCTURE AND MECHANICS

- ❑ I understand how my pension or employer plan pays out, and which elections I must make at retirement — including any that are permanent once chosen.
- ❑ I understand how my retirement income will be taxed, and by which jurisdiction.
- ❑ I have accounted for healthcare costs between the day I stop working and the day Medicare begins.
- ❑ My spouse or partner and I have discussed retirement timing together, and our expectations match.
- ❑ I have something written down — a plan on paper, not an intention in my head.

> **WORTH ASKING**
>
> If I retired five years earlier than planned — by choice or by circumstance — what would break, and what would still hold?

SECTION TWO

2. Tax Planning in Puerto Rico

Puerto Rico operates under its own tax code, and it does not mirror federal rules. Accounts, contributions, and distributions can be treated differently here than they would be on the mainland — which is exactly where avoidable surprises tend to originate.

CLARITY ON YOUR OWN SITUATION

- ❑ I understand which of my income sources are subject to Puerto Rico tax, which are subject to federal tax, and which may involve both.
- ❑ I know my approximate effective tax rate — not just my bracket.
- ❑ I have confirmed that my withholding reasonably matches my actual liability, so I am neither surprised in April nor lending money interest-free all year.
- ❑ I have reviewed my filing status and the deductions available to me within the past year.

RETIREMENT ACCOUNTS AND CONTRIBUTIONS

- ❑ I know whether my retirement contributions reduce my Puerto Rico taxable income, and by how much.
- ❑ I understand that a Puerto Rico IRA and a U.S. IRA are not the same instrument, and I know which type I actually hold.
- ❑ If I hold accounts from mainland employment, I have asked how distributions from them will be treated now that I am a Puerto Rico resident.
- ❑ I have asked whether the order in which I withdraw from my accounts in retirement would change my lifetime tax bill.

COORDINATION AND INCENTIVES

- ❑ I make tax decisions in coordination with my investment and retirement decisions — not as a separate exercise each spring.
- ❑ If I hold or have considered any Puerto Rico tax incentive or decree, I understand the ongoing obligations and reporting that come with it.
- ❑ I have asked a professional to review my situation for tax-planning opportunities — rather than only for tax preparation.
- ❑ I know who I would call with a tax question in October, not just in April.

> **WORTH ASKING**
>
> Is anyone looking at my taxes forward — planning the next several years — or only backward, reporting the year that already happened?

SECTION THREE

3. Insurance & Asset Protection

Protection is the part of a plan that does nothing at all until the day it does everything. These items are worth verifying rather than assuming.

HEALTH AND INCOME

- ❑ I know what my health plan actually covers, including my deductible and out-of-pocket maximum.
- ❑ I have disability coverage, and I know what percentage of my income it would replace.
- ❑ I know whether my disability benefits would arrive taxable or tax-free — and what that means for the amount I would truly receive.
- ❑ I know what would happen to my household financially if I could not work for six months.
- ❑ I have an emergency reserve covering at least three to six months of essential expenses.

LIFE INSURANCE AND BENEFICIARIES

- ❑ My life insurance amount is based on an actual calculation of what my family would need — not a round number or a default employer multiple.
- ❑ I understand which of my coverage is portable and which disappears the day I leave my employer.
- ❑ I have reviewed every beneficiary designation within the past three years, and after any marriage, divorce, birth, or death in the family.
- ❑ I know that beneficiary designations generally control regardless of what my will says — and I have checked mine accordingly.

PROPERTY AND BUSINESS

- ❑ My property coverage reflects current replacement cost, not what I originally paid.
- ❑ I understand how my windstorm or hurricane deductible is calculated, and I know the dollar amount I would owe before coverage responds.
- ❑ I have considered flood exposure separately from my property policy.
- ❑ If I own a business, it carries its own liability and property coverage — and I have confirmed it is not quietly relying on my personal policies.

> **WORTH ASKING**
>
> When was the last time someone reviewed all of my policies together, rather than one at a time as each came up for renewal?

SECTION FOUR

4. Investments & Growth

You do not need to predict markets. You do need to know what you own, what it costs you, and whether it still matches the timeline you are investing for.

WHAT YOU ACTUALLY OWN

- ❑ I know what I am invested in — not merely which institution holds the account.
- ❑ I know approximately what I pay each year in fees and expenses across my accounts.
- ❑ My allocation reflects my current time horizon and risk tolerance — not a choice I made years ago and never revisited.
- ❑ I am not overly concentrated in any single company, sector, or asset — including my own employer.

DISCIPLINE AND STRUCTURE

- ❑ I review or rebalance on a schedule, rather than reacting to headlines.
- ❑ I have not made a significant investment change in the past year driven primarily by fear or news coverage.
- ❑ I keep liquid savings separate from long-term investments, so I am never forced to sell at a bad moment.
- ❑ I understand how investment gains and dividends are taxed given where I live.
- ❑ I know what my investments are actually for — which goal each account is meant to fund, and when.

> **WORTH ASKING**
>
> If markets fell sharply next quarter, is there anything in my plan that would force me to sell — or would I simply be uncomfortable but fine?

SECTION FIVE

5. Estate & Legacy

This section is less about wealth than about clarity. The cost of leaving it undone is paid entirely by the people you care about, at the worst possible moment.

DOCUMENTS

- ❑ I have a current will, and it reflects my circumstances as they are today.
- ❑ I have a power of attorney and a healthcare directive in place.
- ❑ Someone I trust knows where my documents, accounts, and policies are kept — and how to access them.
- ❑ I have reviewed these documents since my most recent major life change.

HOW ASSETS WOULD ACTUALLY PASS

- ❑ I have confirmed that my beneficiary designations agree with my will, rather than contradicting it.
- ❑ I have asked how Puerto Rico’s inheritance rules may affect the way my assets pass to my heirs.
- ❑ I understand how my property is titled, and what that titling means for my heirs.
- ❑ I have considered whether my heirs would face a liquidity problem — assets they cannot easily access or divide.
- ❑ The people I would leave responsible know that they are, and roughly what would be expected of them.

> **WORTH ASKING**
>
> If something happened to me this month, would my family know what to do in the first week — or would they be searching through drawers?

SECTION SIX

6. Considerations for Your Situation

Complete only the block below that matches you. If more than one applies, complete each of them.

IF YOU ARE A FEDERAL EMPLOYEE

- ❑ I know whether I am covered under FERS or CSRS, and I understand how my benefit is calculated.
- ❑ I know my current TSP allocation and when I last reviewed it.
- ❑ I understand my TSP withdrawal options and how distributions will be taxed where I live.
- ❑ I know whether I can carry my health coverage into retirement, and what conditions apply.
- ❑ I understand the survivor benefit election, its cost, and that it is generally irreversible once made.
- ❑ I have had my creditable service and eligibility date verified — rather than estimated from memory.
- ❑ I have compared my employer-provided life insurance against private alternatives at my age.

IF YOU OWN A BUSINESS OR ARE SELF-EMPLOYED

- ❑ My personal and business finances are genuinely separate — separate accounts, clean records.
- ❑ My entity structure and owner compensation have been reviewed for tax efficiency within the past two years.
- ❑ I have a retirement plan for myself, not only for my employees — and I have compared the options available to business owners in Puerto Rico.
- ❑ I know how many months my business could operate on its current cash reserve.
- ❑ I have a written plan for what happens to the business if I cannot run it — temporarily or permanently.
- ❑ If I have partners, we have a buy-sell agreement, and it is funded.
- ❑ I have considered key-person coverage for anyone the business could not quickly replace.

IF YOU ARE AN EMPLOYED PROFESSIONAL

- ❑ I am contributing at least enough to capture my full employer match.
- ❑ I understand my equity compensation, if any — including vesting, taxation, and concentration risk.
- ❑ I know which of my benefits are portable and which I would lose on my last day.
- ❑ I have consolidated or at least catalogued retirement accounts from previous employers.

IF YOU ARE WITHIN FIVE YEARS OF RETIREMENT

- ❑ I have mapped the order in which I intend to draw from my accounts.
- ❑ I have a specific plan for healthcare coverage in the years before Medicare eligibility.
- ❑ I have identified every election I will face at retirement that cannot later be reversed.
- ❑ I have stress-tested my plan against a poor market in my first years of retirement.
- ❑ I know, to the month, what my first year of retirement income would look like.

MAKING USE OF IT

What Your Unchecked Boxes Mean

Go back through and count the items you could not check. The number itself matters less than the pattern.

MOSTLY CHECKED, A FEW GAPS

Your foundation is sound. The remaining items are usually quick to close — a beneficiary form, a policy review, a calculation you have never actually run. Handle them before they become the thing you meant to get to.

GAPS CLUSTERED IN ONE SECTION

This is the most common result, and the most useful. One weak area — often protection or tax coordination — tends to undermine everything built around it. That section is where your next conversation should start.

GAPS SPREAD ACROSS MOST SECTIONS

This is not unusual, and it is not cause for alarm. It generally means your finances have been handled in pieces rather than as a whole. The fix is sequencing, not effort — and it begins with organizing what you already have.

THREE THINGS WORTH DOING THIS MONTH

1. Review your beneficiary designations. It takes minutes, costs nothing, and is the single most frequently outdated item in most people's financial lives.

2. Calculate one real number — your expected monthly retirement income, or your six-month expense figure. A single concrete number changes the quality of every decision that follows.

3. Write down your unchecked items on the next page, and put them in front of someone qualified to answer them.

YOUR NOTES

Questions to Bring With You

Write down every item you could not check, and anything this checklist made you wonder about.

NEXT STEP

A Conversation, Not a Commitment

If this checklist surfaced questions you would rather not leave unanswered, a free, no-obligation orientation is the simplest place to start. Bring your notes page — that is the entire agenda.

Juan L. Aquino, MBA, CCFP, CPFC, FRC

Specialist in Financial & Tax Planning · JLA Financial Planning

(787) 312-8313

info@jlafinancialplanningpr.com

140 Calle Federico Costas, Suite 101 · Hato Rey, San Juan, PR 00918

jlafinancialplanningpr.com

IMPORTANT DISCLOSURE

This guide is provided for educational purposes only. It does not constitute tax, legal, investment, or insurance advice, and it does not recommend any specific product, strategy, or course of action. Puerto Rico and federal rules change, and their application depends on your individual circumstances. Downloading or using this guide does not create an advisory, fiduciary, or client relationship. Please consult a qualified professional before acting on anything contained here.

© 2026 JLA Financial Planning. All rights reserved.