

REVISED & EXPANDED EDITION

SOCIAL SECURITY — WITHOUT — BORDERS

A Practical Handbook for Claiming Benefits,
Protecting Your Family, and Retiring
at Home or Abroad



— VeerVasanth Kumar —

Social Security Without Borders

*A Practical Handbook for Claiming Benefits, Protecting Your
Family, and Retiring at Home or Abroad*

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Family Guard LLC

Social Security Without Borders

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The examples in this book use made-up people and simple numbers. An estimate, example, checklist, or screening tool is not an approval of benefits. It is not a promise of any money result. Financial products are shown as choices, not as something everyone needs. Any guarantee in an insurance or annuity contract depends on the strength of the company that issues it and on the contract's terms.

The facts in this book were checked as of October 5, 2026. Yearly amounts and steps can change. The country chapters cover selected issues only. They are not full legal opinions. Before you make a big decision, or one that crosses borders, check the current rule and get qualified help.

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START HERE

Make This Your Handbook

A retirement choice can look small on a screen. You pick a month. You confirm a bank account. You press submit. But that choice may shape the income you and your family live on for decades.

Moving abroad adds another layer. You might qualify for a benefit but still face a separate rule that limits payment. Your spouse might face a rule that does not apply to you. A tax break in one country might disappear in another. And an insurance card that works at home may not help much overseas.

This book has a practical goal. It will help you understand your situation. It will help you compare real choices. And it will help you take your next step with fewer surprises. You do not need to become a Social Security expert. But you do need to know which questions matter before you make a choice that is hard to undo.

Start with the decision in front of you

Your situation	Begin here
I am still working and want to understand my benefit.	Chapters 1–3 ; Worksheet 1 .
I need to decide when to claim.	Chapters 4 and 8 ; Worksheets 2 and 5 .
I am married, divorced, or have lost a spouse.	Chapters 5–7 ; Worksheet 3 .
I am ready to apply or got a confusing notice.	Chapter 9 ; Worksheets 6 and 7 .
I am getting close to Medicare age.	Chapters 10–11 ; Worksheet 8 .

Your situation	Begin here
I may move abroad or split my year between countries.	Chapters 12–16 ; Worksheets 9–11 .
I am helping a parent or organizing the family plan.	Chapter 18 ; Worksheets 12 and 14 .

Read the chapter that fits you first. Then fill out its worksheet. Go back to the basics whenever you see a term you don't know. The glossary and index are built for that kind of reading.

What this book covers—and what it does not

The main subject is U.S. Social Security. That means retirement, spousal, family, and survivor benefits. Medicare and taxes are included too. They affect what you actually receive and spend. The international chapters cover the extra questions that come up when you work, live, or retire in more than one country.

Some programs have their own rules for who qualifies and how payments work. These include Social Security Disability Insurance, Supplemental Security Income, Railroad Retirement, and public assistance. This book helps you notice when those programs may matter to you. But it is not a full guide to applying for them. Most important: do not use the retirement-benefit rules for overseas payments with SSI. [\[1, 2\]](#)

The country profiles are places to start your planning. They are not legal opinions about each country. A country's name alone cannot tell you your result. Many things matter. These include your citizenship, where you pay taxes, the type of benefit, your work history, your family relationships, and the exact wording of any agreement that applies.

Keep three kinds of information separate

The rule tells you how a program usually works. When an important rule has a source number beside it, that number points to the reference list.

The example shows the rule at work, based on the facts it lists. All people and situations in the examples are made up. Rounded numbers in examples are not benefit quotes from SSA (the Social Security Administration). Unless the book says otherwise, claiming comparisons leave out future cost-of-living raises, taxes, investment returns, and Medicare deductions. That way you can see the basic relationship clearly.

Your decision needs your own record, your household's needs, and checking the facts. A clear example can teach you what to ask. It cannot prove you have the right to a benefit.

The sources and yearly figures in this edition were checked on October 5, 2026. A 2026 figure is not a promise about 2027. Tax publications sometimes describe the most recent tax year that has already ended. The source list names those editions. Before you file a claim or a tax return, check the current instructions and your own notice.

Build a small planning file

Use one secure folder for your important papers. Put in your earnings record, dated benefit estimates, marriage and divorce records, notices that matter, health coverage information, and finished worksheets. Keep a second copy where a trusted person can find it in an emergency. Do not write passwords, full Social Security numbers, or full bank details in a book that other people may handle.

At the front of that folder, keep a one-page decision record. Write down the question, your choices, the facts you checked, and why you made your choice. This is more useful than a pile of articles telling everyone what to do.

Your first action: Write one sentence: "The decision I need to make next is ____." Add a deadline. Add the name of the person or agency that can confirm the rule. Start there.

What Social Security Does—and Does Not Do

Picture three neighbors who get similar deposits. One earned retirement benefits through decades of work. Another gets a benefit as a surviving spouse. The third gets help based on financial need. Their deposits may come from the same agency. But the rules behind them are not the same.

Before you compare claiming ages or plan a move, figure out which benefit you are talking about. The first useful question is not, “How much will Social Security pay?” It is, “What benefit might I qualify for, and on whose record?”

Social insurance, not a personal savings account

Social Security is a federal social insurance program. Workers in covered jobs pay payroll taxes, and so do their employers. Benefits are paid by current tax income and the program’s reserves, under federal law. Your payroll taxes are not kept in your own investment account. You cannot take that money out, move it overseas, or leave it to anyone you choose.

[3, 4]

Your work record matters. It helps decide whether you qualify and how much you get. But your benefit is not just the amount you paid in, split into monthly payments. What you get depends on the formula, the age when you claim, and sometimes your family relationships.

That difference explains two features that can seem not to fit together. A retiree who qualifies can keep getting a retirement benefit for life. This is

true even after they have collected more than they paid in. On the other hand, someone who dies without survivors who qualify does not leave behind a Social Security account balance for heirs. [3, 5]

Social Security can work as a valuable base of steady income. But it does not replace emergency savings, health insurance, or an estate plan.

Recognize the benefit categories

Retirement benefits are usually based on your own work in covered jobs. Starting them does not have to mean you have stopped working. But work can affect your payments before full retirement age, as [Chapter 8](#) explains. [3, 6]

Family benefits may be paid to a spouse, former spouse, or child who qualifies. The worker must have the right to retirement or disability benefits. These benefits have rules about the relationship, age, and other conditions. [7]

Survivor benefits may be paid after a covered worker dies. People who may qualify include spouses, former spouses, children, and dependent parents who meet the rules. Survivor claiming choices are different from regular spousal claiming choices. [5]

Disability benefits are not early retirement under another name. Social Security Disability Insurance requires a disability that meets the rules and the right kind of work record. Rules about work and medical eligibility matter. If you cannot work, look into disability benefits first. Don't assume a reduced retirement benefit is your only path. [2]

Supplemental Security Income, or SSI, is a separate program based on financial need. Its money rules and residency rules are different from retirement insurance. Your other income and resources may affect whether you qualify. And a long time away from the United States can stop payments. [1]

Sometimes a person can qualify in more than one category. That does not mean all the benefits get added together. SSA must use the rules that decide how benefits fit together. [8]

What a cost-of-living adjustment actually means

A cost-of-living adjustment, often called a COLA, is a yearly raise tied to inflation. It is set by a measure written into law. It is not a promise that your deposit will go up by a fixed percentage every year. It is also not a promise that it will match your own costs. The 2026 COLA is 2.8%. [9]

Your grocery bill, rent, or medical costs may rise by a different amount. A bigger Medicare deduction can also eat up part of a raise in your gross benefit (your benefit before deductions). So the useful comparison is not just last year's benefit versus this year's. It is last year's spendable income versus this year's spending needs.

Picture a made-up retiree. Their gross benefit goes up by \$60. But their monthly deductions go up by \$20. The raise they can actually spend is \$40. Nothing is wrong with the math. Gross income and deposited income are simply different numbers.

Social Security and private annuities are not the same thing

An annuity is a contract with an insurance company. Some annuities can pay income for life. Others pay for a set period, or grow in value for later use. Contract terms, costs, access to your money, and what the insurer owes you all differ. Social Security is run under federal law, not a personal insurance contract. [10, 3]

It makes sense to compare the role of steady income from both sources. But it is misleading to assume they work the same way. They may differ in survivor rules, inflation raises, guarantees, tax rules, and access to the money you put in. [Chapter 17](#) makes those comparisons. It does not assume every reader needs an annuity.

Will the program still be there?

The Social Security Trustees make yearly projections. Their 2026 middle-range projections say the Old-Age and Survivors Insurance trust fund can pay scheduled benefits in full until the fourth quarter of 2032. When the reserves run out, ongoing income is projected to cover 78% of scheduled benefits. If you imagine that fund combined with the Disability Insurance fund, the projection changes. The reserves would run out in the third quarter of 2034, and 83% would be payable then. By law, the two funds are separate. These are projections based on stated assumptions. They are not announced changes to anyone's benefit. [4]

Two reactions don't help. One is assuming nothing can change. The other is assuming all benefits will vanish. A more useful step is to test your household budget two ways. Try it with the current estimate, and try it with lower income. A younger reader might test a 20% or 25% cut as a "what if." This is a stress test, not a prediction or an SSA instruction.

Don't make a claiming choice you can't undo just because a headline scared you. First compare your choices under current law. Then ask how well each choice would hold up if the rules changed later.

Case: the wrong question at the kitchen table

Elaine says, "I paid in for years. I want to get my money back as soon as possible." Her partner, Martin, says, "We should wait because everyone says the check gets bigger."

Both of them are starting with an answer. They have not looked at their savings or their health. They have not looked at Martin's possible survivor income or how Elaine's ongoing work would affect things. Their useful next step is not an argument about who is right. It is a shared fact sheet.

They write down each person's estimated retirement benefit, the ages that matter, their regular expenses, and their savings. Elaine still prefers

earlier income. Martin still prefers later security. Those feelings are still part of the talk. But they no longer take the place of the missing facts.

Put this chapter to work

Find the name of the benefit you get now, or expect to get, on your notice or online statement. Figure out whether it is based on your record or someone else's. Then fill out the first section of [Worksheet 1](#).

Ask SSA about any benefit you might qualify for because of a past marriage, a spouse's death, a disability, or dependent children. Don't assume an online retirement estimate has already looked at every family situation.

The point to remember: Social Security is a set of insurance benefits with different rules. It is not one single account. Naming the right benefit is the base for every decision that comes later.

CHAPTER 2

Your Work Record, Your Estimate, Your Benefit

A number on your Social Security statement can feel official enough to stop all questions. It is official information. But an estimate still rests on assumptions. A wrong earnings year can change how useful that number is. So can a guess about future work that no longer fits your plans.

This chapter splits two questions apart. First, do you have enough covered work to qualify? Second, how does that work affect your benefit amount? The two are related, but they are not the same calculation.

Credits decide whether you qualify

Most workers need 40 Social Security credits to qualify for retirement benefits on their own record. You can earn no more than four credits per year. In 2026, one credit takes \$1,890 in covered earnings. So \$7,560 can earn all four credits for the year. You do not have to work exactly one quarter of the year to earn one credit. [\[11, 9\]](#)

People often say 40 credits equals ten years of work. But count your actual credits, not years on a calendar. A year with low earnings may give you fewer than four. Work that was not covered by Social Security may give you none. A worker's immigration category alone does not tell you whether a job counted as covered earnings.

Earning more credits than retirement requires does not give you an extra retirement check. But more covered earnings can still raise your benefit. That happens if they improve the earnings years used in the calculation. [\[11, 12\]](#)

Spousal and survivor benefits do not require the person claiming to have 40 credits on their own record. Disability and survivor insurance can have different work rules for the worker. International agreements can sometimes help a person qualify with fewer than 40 U.S. credits. See [Chapter 14](#). [7, 5, 13]

Earnings decide the basic amount

In a typical retirement calculation, SSA uses your highest 35 years of covered earnings. First, it adjusts those earnings using its indexing rules. If you have fewer than 35 years, zeros usually go into the average. The result is called your average indexed monthly earnings, or AIME. AIME is your monthly average of those adjusted earnings. [12]

“Highest 35 years” does not mean your last 35 years. It also does not mean 35 years you pick yourself. And it does not mean each old dollar is just raised by consumer inflation. SSA uses wage-indexing rules and steps set by law. Wage indexing adjusts old earnings to reflect how average wages have grown.

Here is an example. Say a made-up worker has 30 years in a basic calculation and five zero years. Another year of covered work may replace a zero and raise the average. Now say a worker already has 35 high-earning years. A small part-time year may add little or nothing. That is because it may not replace one of the years already counted.

The effect depends on the actual record. “Working longer always adds the same amount” is not a rule you can rely on.

From average earnings to primary insurance amount

The primary insurance amount, or PIA, is your basic benefit. It is the amount before any cut for claiming early or any increase from delayed retirement credits. The benefit formula replaces a bigger share of lower average earnings than of higher average earnings. The dollar cutoff points in the formula are called bend points. [14]

Take a worker first eligible for retirement in 2026. The formula uses 90% of the first \$1,286 of AIME. It uses 32% of AIME from \$1,286 through \$7,749. And it uses 15% of AIME above \$7,749. The formula that applies is tied to the year you first become eligible. It is not automatically the year an older worker finally applies. [14]

Worked example: an AIME of \$6,000

Assume first retirement eligibility in 2026 and no special calculation issues. This example stops at the starting PIA. It comes before any later COLAs or changes for claiming age.

Part of the monthly average	Calculation	Amount
First \$1,286	$\$1,286 \times 90\%$	\$1,157.40
Remaining \$4,714	$\$4,714 \times 32\%$	\$1,508.48
Total before rounding required by law	Add both parts	\$2,665.88
Starting PIA	Round down to the next dime	\$2,665.80

A final payment calculation has more steps. Do not use this table in place of an SSA estimate. Its purpose is to show why your benefit is not just a flat percentage of your most recent pay.

Read your estimate like a planner

Sign in to your own my Social Security account on SSA’s official site. Review your earnings record. Compare benefit estimates for different claiming ages. Write down the date you got the estimates. [15]

Before you copy the numbers into your plan, answer four questions. What future earnings does the estimate assume? At what age do those earnings stop? Are the amounts in today’s dollars or future dollars? Are you comparing gross benefits, before deductions?

Say you plan to stop working at 60. You should not rely, without knowing it, on an estimate that assumes you keep earning until 70. In the same

way, don't compare a future benefit with inflation added to a budget in today's dollars. Then you can't call the difference extra money. Matching assumptions matter more than extra decimal places.

When your work plans are changing, save at least two versions. Use your expected work pattern for one. Use an earlier stop date for the other. Label each one clearly. This is not a contest to guess the future. It shows which assumption your plan depends on.

Fix errors while records are still available

Compare your earnings record with your W-2 forms and self-employment tax records. Look for missing employers and years that look too low. Look for a name or Social Security number that doesn't match. Also look for earnings that are listed twice or that you don't recognize. A recent year may still be in the reporting process. So ask about timing before you assume something is missing for good.

SSA describes a general time limit for fixing errors. It is three years, three months, and fifteen days after the tax year in question. There are important exceptions. An old error is not automatically too late to fix. But waiting can make proof harder to find. Contact SSA instead of deciding on your own that the deadline has closed your options. [16]

Write a simple note about each mismatch. Include the year, the amount shown, the amount you believe is correct, the employer, and your proof. Keep copies of what you send. Write down the date and how you sent it. After a fix, get a fresh estimate. Don't assume your saved calculation updated itself.

Public and foreign pensions: what changed

The Social Security Fairness Act was signed on January 5, 2025. It repealed (ended) the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO). This applies to benefits payable for January 2024 and later. These rules had affected some people with pensions

from work not covered by Social Security. That included some public workers and people with foreign pensions. [17]

The repeal does not create work credits. It does not remove the usual cuts for claiming early. And it does not mean everyone with a government pension gets a bigger payment. Someone who never applied because they expected no benefit may still need to file. The law did not erase the usual limits on how far back an application can pay. [17]

Be careful with older books, calculators, and even older web pages still online. An example that subtracts WEP or GPO from a current benefit may no longer apply. Keep old award notices, because they can help explain a fix. But use current rules for any new decision.

Case: a modest year that matters

Owen has 38 credits. He assumes he needs one more full year at his old salary. But his real question is narrower. How many credits does he still need? What covered earnings would earn them? And what kind of legal work can he get?

Before he takes on a costly move or a job he doesn't want, he gets his record. A small amount of covered work may finish the credits he still needs, within the yearly limit. Whether it's worth doing also depends on his expected benefit and any international agreement. The right calculation starts with his record, not a slogan about working "ten years."

Put this chapter to work

Fill out [Worksheet 1](#) with dated estimates, your actual credits, and your planned future earnings. Add any mismatches you haven't solved yet to [Worksheet 7](#). A usable number is one whose assumptions you can explain.

The point to remember: Credits help you qualify. Earnings help decide the amount. An estimate is only useful when its assumptions match your plans.

CHAPTER 3

The Ages That Actually Matter

People often talk about age 65, full retirement age, and age 70 as if they were the same milestone. They are not. One can be a Medicare milestone. Another decides when you can get your retirement benefit without a cut. Another marks the end of delayed retirement credits.

A surviving spouse may have two different full retirement ages. A household with a younger spouse may need to plan with several calendars at once. Write down the actual dates. Don't rely on memory.

Your full retirement age for retirement benefits

Your full retirement age, or FRA, is the age when your own retirement benefit is no longer cut for starting early. The same birth-year schedule usually sets the age cut for a regular spousal benefit too. [\[18\]](#)

Birth year	Retirement FRA
1943–1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 or later	67

People born in earlier years have earlier full retirement ages. See the source for the full schedule. SSA's birthday rules can shift the month used in a calculation. People born on January 1 usually use the year before as their birth year. Confirm the exact month your right to a benefit

begins (your “entitlement month”). This matters most if your birthday falls on the first of a month. [18, 19]

Your full retirement age for survivor benefits

The survivor schedule is different. Don’t copy the age from your retirement estimate onto a survivor application. [19]

Birth year	Survivor FRA
1945–1956	66
1957	66 and 2 months
1958	66 and 4 months
1959	66 and 6 months
1960	66 and 8 months
1961	66 and 10 months
1962 or later	67

This difference matters in real life. Someone born in 1960 may reach survivor FRA at 66 and 8 months. But their retirement FRA is 67. Also, SSA uses retirement FRA for the annual earnings test, even for someone getting survivor benefits. The earnings test is the rule that holds back some benefits if you work and earn over a yearly limit before FRA. So reaching survivor FRA does not always stop money from being held back because of work. [6]

The other milestones on your calendar

Age 60 can be the earliest age for a widow’s or widower’s benefit based on age. Some disabled survivors can qualify earlier. Benefits for a parent caring for a child follow different rules. [5]

Age 62 is usually the earliest age for your own retirement benefit. SSA’s rules about which month you count as a certain age still apply. Regular

spousal and divorced-spousal benefits can also start at 62 if the other conditions are met. [18, 7]

Age 65 is the usual age when Medicare begins based on age. Some people qualify earlier because of a disability or certain medical conditions. Waiting to start Social Security does not, by itself, push back what you need to do for Medicare. [20, 2]

Your retirement FRA ends the annual earnings test. It is also the earliest age when you can choose to pause (suspend) your own retirement benefit to earn delayed retirement credits. [6, 21]

Age 70 ends any more delayed retirement credits on your own retirement benefit. Your benefit can still change for other reasons. These include COLAs (cost-of-living adjustments, the yearly raises for inflation), recalculations based on new earnings, and other adjustments. But waiting past 70 does not earn any more delayed retirement credits. [22]

A date is better than an age

Imagine a made-up reader born May 15, 1959. This person reaches retirement FRA in March 2026. Saying “I can earn any amount after 67” would wrongly treat two extra months as limited. Saying “I am 66, so nothing changes this year” would also be wrong. Under the retirement-FRA schedule, the milestone is March 2026.

A survivor born May 15, 1960 has a different pattern. Survivor FRA comes in January 2027. Retirement FRA comes in May 2027. Those dates answer different questions. The survivor calculation can reach its FRA milestone before the annual earnings test ends.

You don’t need to memorize these examples. The lesson is to write each month that matters in your own timeline. Then have SSA confirm it.

Make a household calendar

Use one line for each person. On it, list the birth date, retirement FRA, survivor FRA if it applies, the month you plan to claim, and the Medicare sign-up window. Add the last day you plan to work. Also add the last day of health coverage from your employer. These may be different dates.

For a couple, talk about the years when only one of you has Medicare. Also talk about the years when only one of you can get retirement benefits. A plan that looks comfortable once you are both 70 may still have a hard stretch before then.

Keep the yearly reference numbers in [Appendix A](#) separate from these personal dates. Yearly limits may change. Your birth-year schedule is a different kind of information, though new laws in the future could change the rules.

Put this chapter to work

Fill in the dates in [Worksheet 1](#). Fill in the Medicare planning fields in [Worksheet 8](#). Before you send any application, ask: “Which full retirement age are we using, and what exact month does that give us?”

PART II · CHOOSE AS AN INDIVIDUAL AND A FAMILY

CHAPTER 4

Choosing When to Claim

No single claiming age is best for everyone. Compare your bills today, your future income, your health, your work, your savings, and the people who may rely on your record. A plan has to be affordable before it can be a good choice.

Understand the basic trade

If you start your own retirement benefit before retirement FRA, your monthly benefit is usually cut for good. Later adjustments can still apply, such as the recalculation after the earnings test. If you wait past FRA, you earn delayed retirement credits until 70. For people born in 1943 or later, those credits add 8% per year. That is two-thirds of 1% per month. This is an increase under the benefit rules. It is not an investment return on money in an account. [18, 22, 6]

The table below assumes a retirement FRA of 67 and a PIA of \$2,000. PIA stands for primary insurance amount. It is your full benefit at FRA, before any cut or increase for timing. The example keeps the base benefit the same. It leaves out COLAs, changes in earnings, taxes, and deductions.

Claiming age	Share of PIA	Example monthly benefit
62	70%	\$1,400
63	75%	\$1,500
64	80%	\$1,600
65	About 86.67%	About \$1,733

Claiming age	Share of PIA	Example monthly benefit
66	About 93.33%	About \$1,867
67	100%	\$2,000
68	108%	\$2,160
69	116%	\$2,320
70	124%	\$2,480

The lowest and highest amounts differ by about 77%. That’s because \$2,480 divided by \$1,400 is about 1.77. This comparison is correct for these assumptions. But it does not mean waiting earns 77% on your savings. It also does not mean waiting gives you more total money in every lifetime. [18, 22]

You don’t have to pick only 62, FRA, or 70. You can claim in any other month you are eligible, and that may fit your needs better. Comparing a delay you can manage with claiming right away can be more useful than arguing about an eight-year delay you can’t pay for.

What break-even math can—and can’t—tell you

A simple break-even calculation compares the total benefits you collect over time. In the example, starting at 62 pays \$84,000 during the five years before 67. Starting at 67 then pays \$600 more per month. Divide \$84,000 by \$600, and you get 140 months. That puts the simple crossover point at about age 78 and 8 months.

Between 67 and 70, the person who claimed earlier collects \$72,000. The age-70 benefit is \$480 larger each month. That gives a simple crossover 150 months after 70, at age 82 and 6 months. Comparing 62 directly with 70 gives a crossover at about age 80 and 4 months.

These are made-up math examples. They are not forecasts for you. Taxes, investment returns, COLAs, when payments arrive, survivor benefits, and

changes in spending can all change the result. Most important, no household knows exactly how long its members will live.

A break-even age answers one question: “When do these two payment streams cross, under these assumptions?” It does not answer a different question: “Which stream best protects my household from running out of money late in life?”

First ask what’s possible, then what you prefer

First, figure out the needs you can’t skip. How will you pay for housing, food, medical bills, and required debt payments before benefits start? How much cash must you keep for emergencies? Would waiting mean borrowing at a high cost? Would it mean selling assets at a bad time?

Next, think about health and family duties. A serious health condition may change the trade-offs for a single person. In a couple, the higher earner must also think about what income the surviving spouse might have. Having eligible children can change the household math, because family benefits may become payable when the worker claims. [7, 5]

Then look at work. If you claim early while earning more than the limit that applies, you may not get the deposit you expected. For the retirement earnings test, a pension or a withdrawal from savings is not the same as wages. [Chapter 8](#) explains that difference. [6]

Last, compare what you prefer. Do you want more income now? More steady income later? Access to your savings? Money to leave to others? A way to handle not knowing how long you will live? Your preferences matter. But weigh them inside a plan you can actually afford.

Don’t count checkmarks. One urgent need for cash can outweigh several reasons to wait. Giving every factor the same weight does not make a decision safer.

Three readers, three sensible paths

Case A: an immediate need

Nora is 62 and single. She can no longer stay in her current job. Assume her PIA is \$2,000. Her must-pay spending is \$2,100 a month. She has \$10,000 in savings she can reach. An example early benefit of \$1,400 still leaves a gap. But waiting with no other income would use up her savings quickly.

Her first job is to look into other options. These include disability benefits if they fit her situation, other benefits, health coverage, housing choices, and realistic work options. Claiming early may be part of a plan that works. Telling her to wait until 70 without dealing with the next eight years is not advice she can use.

Case B: room for a bridge

Luis is 64. He plans to leave full-time work. He has a pension, savings he can reach, and a partner who may someday rely on his survivor benefit. The household can cover its basic needs without his Social Security for several years.

He compares claiming now, at FRA, and at 70. His comparison includes how much he would take from savings each year to “bridge” the wait. It also includes how much savings would be left afterward. Waiting may make later household income stronger. But that’s true only if the bridge is affordable in a worse-than-expected case, not just the expected one.

Case C: a partial delay

Helen planned to wait until 70. At 68, her caregiving costs go up. Her savings plan no longer feels comfortable. She compares claiming at 68 with using more savings for two more years.

Claiming at 68 is not a failure to follow the “best” strategy. It may be a smart change based on new facts. The key question is what the new choice does to her income, her taxes, and her household’s security.

Check the dates on back pay

At or after retirement FRA, SSA can sometimes pay up to six months of retirement benefits for past months. This is called retroactive benefits, or back pay. But SSA can't pay back pay for months before FRA. Taking a back-dated start can mean giving up delayed retirement credits for those months. [22]

Imagine a made-up claimant with a \$2,000 PIA. This person planned to start at 70 with a \$2,480 benefit. Starting six months earlier means 120% of PIA instead of 124%. That's \$2,400 instead of \$2,480, leaving out other adjustments. So the lump sum is not just a bonus on top of the same future benefit.

Before you accept back pay, ask SSA to show you two things for each start date: the back-pay amount and the ongoing monthly amount. Also ask whether some delayed credits from the current year will be added later. For some claims made before 70, not all credits show up at first. They may not appear until the next January. [22]

Withdrawing is not an easy do-over

You can usually withdraw a retirement application within 12 months of the first month you were entitled to benefits. SSA's requirements and approval apply. Most people get only one approved withdrawal of a retirement claim in their lifetime. Paying back and getting consent can involve more than the money deposited in the worker's bank account. Benefits paid to family members, taxes that were held back, and Medicare-related amounts may also matter. [23]

Before you ask to withdraw, get a written explanation. It should say what you must pay back and which benefits or Medicare coverage would be affected. Don't stop paying a premium. Don't send back an estimated amount and assume the claim is erased.

Suspending is a different option

At retirement FRA or later, but before 70, you can ask to pause (suspend) your retirement payments. This lets you earn delayed retirement credits. It is not the same as withdrawing your application. It also does not undo an earlier cut. Benefits paid to others on your record usually stop while your benefit is suspended. One exception is a divorced spouse who qualifies on their own. Benefits you get on another person's record can also be affected. [21]

You still need to pay your Medicare premiums. Set up a new way to pay them before the deduction from your benefit stops. A suspended benefit starts again automatically at 70, unless it restarts sooner under the rules that apply. [21]

Put this chapter to work

Use [Worksheet 2](#) to compare two or three start dates you can afford. Fill in [Worksheet 5](#) before you assume you can pay for a delay. Write down the month you chose to claim, not just your age. Also write down what would make you rethink your choice before you file.

The point to remember: The right claiming choice is one you can pay for, explain, and live with—not the one that wins an argument online.

CHAPTER 5

Married Couples: Plan Two Lives, Not Two Applications

A married couple can make two choices that each make sense alone but work badly together. One spouse focuses on getting money sooner. The other assumes the household will keep both deposits forever. Neither has looked at the income after the first spouse dies.

The answer is not always to pick the same claiming age. It is to look at the household in stages. First, before both benefits start. Next, while both spouses are alive. Last, after either spouse dies.

What a spousal benefit is based on

A regular spousal benefit can be up to 50% of the worker's PIA if the spouse starts it at the spouse's FRA. It is usually not 50% of the worker's age-70 benefit. For a current spouse, the worker usually must have filed and become entitled first. Only then can a spousal benefit begin. Rules about the relationship and age apply. [24, 7]

In general, you must be married for one year, but there are exceptions. A spouse may qualify at 62. A spouse may also qualify at any age when caring for the worker's qualifying child under 16 or a qualifying disabled child. A claim based on caring for a child has extra conditions. The fact that an adult child has a disability does not by itself give you the right to a benefit. [7, 3]

Starting a regular spousal benefit before FRA cuts it. With an FRA of 67, a spouse with no benefit of their own who starts at 62 gets 32.5% of the worker's PIA, not 50%. Spousal benefits do not earn delayed retirement credits after the spouse's FRA. [18, 24]

Your own benefit plus a spousal excess

Many people have earned a benefit on their own record. They may also qualify on a spouse's record. SSA combines the two. When someone qualifies for both a regular retirement benefit and a spousal benefit (called dual entitlement), SSA usually works out the "spousal excess" first. The spousal excess is the extra amount added on top of your own benefit. SSA figures it using the amounts before any cuts. Then it applies any cuts for age. [8]

Assume Daniel's PIA is \$3,000 and Maria's PIA is \$900. Half of Daniel's PIA is \$1,500. The spousal excess, before cuts, is \$600. That's \$1,500 minus \$900.

If Maria starts both parts at her FRA, the math is simple. She gets \$900 of her own retirement benefit plus \$600 of spousal excess, for \$1,500. If her own PIA were \$1,600 instead, this regular comparison would not create any spousal excess.

The early-claiming trap

Now assume Maria's FRA is 67. She starts only her own retirement benefit at 62, because Daniel has not filed yet. Her \$900 benefit is cut to \$630. At 67, Daniel files. Maria now qualifies for the full \$600 spousal excess for the first time.

Her total is \$1,230. That's the cut \$630 plus the \$600 excess. It does not automatically go up to \$1,500. The cut to her own benefit does not go away just because a spousal part starts. This simple example leaves out COLAs and other adjustments. [8]

If both parts had started at 62, the spousal excess would have its own cut for starting early. Ask SSA to show you the two parts. Don't treat "half my spouse's benefit" as the whole calculation.

Deemed filing limits the old switching strategy

For most people claiming retirement benefits now, there is a rule called deemed filing. If you are eligible for both a retirement and a spousal benefit, applying for one counts as applying for both. This wider rule usually applies to people born January 2, 1954 or later. Some disability and child-in-care situations are exceptions. [25]

There was an old strategy: take only a spousal benefit while your own retirement benefit keeps growing. Because of deemed filing, this is usually not open to a new claimant born in those years. Survivor benefits are different. Deemed filing between regular retirement and spousal benefits does not remove the survivor switching choices covered in [Chapter 7](#). [25]

Don't follow an old article without checking the birth-date and benefit-type conditions. A strategy can be described correctly for one person and still be closed to another.

The higher earner's delay can matter twice

When the higher earner waits and earns delayed retirement credits, the regular spousal maximum does not go up. But the later survivor benefit can go up. That is why one spouse's claim can affect a second life. [22, 26]

Think about Daniel, with a \$3,000 PIA and an FRA of 67. His example benefit is \$2,100 at 62, \$3,000 at 67, or \$3,720 at 70. Suppose Maria later claims survivor benefits at her survivor FRA. If Daniel claimed early, a rule called the widow(er)'s benefit limit may apply. In this example, the simple survivor amount is \$2,475, not \$2,100. [Chapter 7](#) explains why. [26]

The point is not that Daniel must wait. It is that the household's comparison must show Maria's income after he dies—not just Daniel's income while he is alive.

Three household patterns to compare

Similar earners. Each spouse may get mostly their own retirement benefit. A spousal benefit may add nothing. But survivor protection still matters, because a household usually does not keep two full retirement benefits after one spouse dies. Compare both possible orders of death. [8, 27]

One high earner and one lower earner. The lower earner may qualify for a spousal excess. The higher earner's claiming age can strongly affect survivor income. Compare the lower earner's cut for claiming early, not just the size of the higher earner's final benefit.

An age gap. A younger spouse may not yet be old enough for a spousal or survivor benefit based on age. There can be years when the household has only one benefit. A death can also leave a gap before a survivor benefit based on age becomes available. Qualifying child-in-care or disability benefits may change that result. [7, 5]

Case: the budget after the first death

Assume a made-up couple will someday get \$3,720 and \$1,500 per month. Together, that's \$5,220 before taxes and deductions. Their must-pay household expenses are \$4,800. They decide the plan is comfortable.

Then they make a budget for the surviving spouse. Housing, property taxes, upkeep, and many utilities don't go away. Suppose the survivor's must-pay expenses are \$3,900. Under the rules that apply, suppose the surviving spouse's combined Social Security amount is \$3,720. That leaves a shortfall of \$180 before taxes and health deductions. This is very different from the extra money the couple had at first.

They don't fix that gap by hoping expenses will drop by half. Instead, they compare spending changes, savings, pension survivor choices, insurance they already have, and other income. The numbers are made up, but every couple's plan should use this method.

A helpful talk, without pressure

Try saying this: “I want us to understand both sides. What would we need each month if we were both here? And what would you need if I were gone? Let’s compare before either of us sends in an application.”

If your spouse feels uneasy about spending savings, that is a real planning issue. Explain how much savings would be left after a delay. Explain what later income the delay could bring. Don’t brush off that worry with a percentage or a lecture about how long people live.

Put this chapter to work

Fill in [Worksheet 3](#) with both claiming schedules and both survivor budgets. Ask SSA to list each part separately: each person’s own retirement benefit, the spousal excess, any cuts, and any possible survivor benefit. Bring both people’s earnings estimates to any planning meeting.

The point to remember: A couple’s goal is not always two maximum checks. It is an income plan that works for both lives and for the survivor.

Divorce, Remarriage, and Earlier Relationships

A marriage that ended can still matter to a Social Security claim. For you, that may be a relief. It may be a hard subject. Or it may be a topic full of wrong ideas. You do not need to reopen a personal relationship to ask SSA about benefits. You can simply ask what the law may allow.

Start with papers and dates. The real question is not whether your ex-spouse approves. The question is whether you meet the legal rules.

Divorced-spouse benefits while the worker is alive

You may qualify as a divorced spouse if all of these are true. The marriage lasted at least ten years. You are not married now. You and your ex-spouse are both at least 62. And you meet the other rules. The worker (your ex-spouse) must have the right to retirement or disability benefits. If the worker has not filed yet, you must meet the rules that let an “independently entitled” divorced spouse claim first. That means you can claim on your own, before the worker files. [28]

Here is how that route works. The divorce generally must have been final for at least two years in a row. The worker must be at least 62 and insured. Insured means the worker has enough work credits. This two-year rule is not a waiting period for every divorced-spouse claim. It matters when the worker has not filed. [28]

Your age still affects the amount. So does any retirement benefit of your own. The same spousal rules from [Chapter 5](#) can apply here. That includes the “spousal excess” — the extra amount on top of your own benefit. It also includes deemed filing. Deemed filing means that when you

apply for one benefit, you are treated as applying for the other too. A qualifying former marriage does not give you a separate full benefit on top of your own. [8, 25]

What happens to the worker and the current spouse?

A qualifying divorced-spouse benefit generally does not lower the worker's benefit. It also does not lower the benefit of the worker's current spouse. There is a "family maximum" — a cap on the total paid to a family on one worker's record. Divorced-spouse benefits are not cut by that cap in the same way as benefits to a current spouse and children. [28, 24]

You do not need your ex-spouse's permission to look into your benefits. You may not know their Social Security number or current address. If so, ask SSA what other details and records will help. Do not let one missing detail stop you from asking. [27, 28]

Case: ten years is a rule, not an estimate

Pat and Robin married on June 20, 2002. Their divorce became final in July 2013. Pat is now unmarried and close to retirement. Pat should ask about divorced-spouse benefits, even though the marriage ended years ago.

Now compare a marriage that lasted nine years and several months. In everyday talk, people might round that up to ten. But rounding up does not make it a ten-year marriage for benefits. The exact legal dates need review. So do any special situations.

Do not make a family-law decision based only on this book. A divorce in progress can involve safety, property, support, and legal issues. Those are often much more urgent than Social Security. Think about benefits alongside good legal advice, not instead of it.

Remarriage changes the questions

If you remarry, you generally lose the right to an ordinary divorced-spouse benefit on a living ex-spouse's record. There are exceptions. A new marriage may give you possible rights on your new spouse's record, under its own rules. If that later marriage ends, the earlier records may matter again. [28, 5]

Survivor benefits follow a different remarriage rule. Say you are an eligible widow or widower. If you remarry at age 60 or later, you generally can still get benefits on your late spouse's record. For certain disabled survivors, the age is 50. [5]

These are different types of benefits. "You lose benefits if you remarry" is too broad to be useful.

Surviving divorced spouses

Say your ex-spouse has died. If the marriage lasted at least ten years, you can generally qualify under survivor rules. Some cases where you care for the worker's child have different length rules. A few other things still matter. These include the cut for starting survivor benefits early, the worker's claiming history, and how it fits with your own retirement benefit. [5]

As a surviving divorced spouse, you may have the same choices as other survivors. That means choosing the order in which to start your retirement and survivor benefits. Do not assume the ordinary spousal limit applies to a survivor claim. [25]

Multiple marriages and unusual records

Bring details about every marriage that may matter, not just the most recent one. SSA may need the dates of marriage, divorce, and death. It may also need proof of the legal relationship. Your right to a benefit does not

depend on whose name is still on an old bank account. It also does not depend on the wording of an informal separation agreement.

Some valid legal relationships that are not marriages can qualify under SSA's rules. Same-sex spouses and former spouses should ask for a review under the marriage and relationship rules that apply. Do not assume an old denial, or an old statement about whether you qualify, still decides the matter. [7]

Marriage or divorce papers from another country may need extra review. Ask which records, translations, or legal decisions SSA needs. Do not rely on a friend whose story sounds like yours. That is not proof your papers will be accepted.

Prepare the conversation with SSA

Here is a useful way to start: "I want to make sure all the records that might matter are considered. I was married from this date to this date. My current marital status is this. Could I qualify for a divorced-spouse or survivor benefit? How would it work with my own retirement benefit?"

Write down whether the talk is about a living worker or a worker who has died. Note whether the worker has filed. Note whether the two-year independent-entitlement rule matters. And note whether your own early retirement cut would continue.

Put this chapter to work

Use [Worksheet 3](#) to record the key relationship dates. Also list the records SSA needs to review. Do not write full Social Security numbers on the worksheet. Keep ID papers in a separate, safe place.

Survivors, Children, and the Family After a Death

After a death, a family needs time to grieve. It also needs a way to keep paying everyday bills. Paperwork decisions may come before anyone feels ready. A ready folder and a clear list of steps can ease the pressure.

This chapter has two jobs. First, it explains the main benefits that may be available. Second, it helps the family avoid a rushed claim or a wrong guess about a deposit.

A survivor benefit is not an inherited account

Social Security pays survivors who qualify under its rules. The worker cannot pick anyone they like to receive an account balance. People who may qualify include spouses, former spouses, children, and dependent parents. [5]

A widow or widower can generally start an “aged survivor benefit” at 60. The amount is cut if you start before your survivor FRA. Survivor FRA is the full retirement age for survivor benefits. Certain disabled survivors can qualify at 50. A survivor caring for the worker’s child under 16, or a disabled child who qualifies, may qualify at another age. Rules about how long the marriage lasted, and other rules, apply. There are exceptions. [5]

For aged widow(er) benefits, the marriage usually must have lasted nine months. That rule has exceptions. Examples include certain accidental deaths and other listed situations. If you are a surviving spouse, ask SSA. Do not assume a short marriage rules out every benefit. [5]

Why “keep the larger check” is not the whole story

Say a couple is already getting benefits and one spouse dies. The household generally does not keep both full retirement checks. The survivor may get their own benefit plus a “survivor excess” — the extra amount that brings them up to the survivor benefit. Or the survivor may get a combined amount based on the rules that apply. [8, 27]

But the new amount is not always the same as the late worker’s last deposit. That deposit may have had Medicare costs taken out. It may have had tax withheld. It may have been cut for early retirement or changed in other ways. The survivor’s age and benefit history also matter.

Ask SSA for the gross benefit — the amount before anything is taken out. Then work out the deposit you expect after those deductions. A simple saying should not take the place of an official benefit decision.

The widow(er)’s benefit limit

If the worker claimed retirement early, the survivor amount can be limited. This limit generally uses the larger of two numbers. One is the amount the worker would get if still alive. The other is 82.5% of the worker’s PIA. PIA is the “primary insurance amount” — the worker’s basic benefit at full retirement age. The survivor’s own early claim, and other rules, can also change what is paid. [26]

Worked example: a \$3,000 PIA

Say Daniel’s retirement FRA (full retirement age) is 67. His PIA is \$3,000. Maria claims survivor benefits at her survivor FRA. In this example, ignore COLAs (yearly cost-of-living raises), earnings recalculations, and other changes.

When Daniel claimed retirement	Daniel’s monthly benefit	Maria’s sample gross survivor amount at survivor FRA
At 62	\$2,100	\$2,475

When Daniel claimed retirement	Daniel's monthly benefit	Maria's sample gross survivor amount at survivor FRA
At 67	\$3,000	\$3,000
At 70	\$3,720	\$3,720

Look at the first row. 82.5% of \$3,000 is \$2,475. That is more than \$2,100. So in this example, just passing Daniel's reduced check to Maria would be wrong.

This table shows one set of assumptions. It does not cover every survivor calculation. Ask SSA to use the late worker's real record, any delayed credits, any limit, and the survivor's age. Starting a survivor benefit early does not promise you 82.5% of PIA. [26, 27]

A survivor may have two orders to compare

Deemed filing links ordinary retirement and spousal benefits. It does not generally force a survivor to start retirement and survivor benefits at the same time. If you qualify, you may start a survivor benefit and later switch to a larger retirement benefit. Or you may start retirement and later switch to a larger survivor benefit. [25, 27]

Case: survivor first, own retirement later

Say Avery is 60. SSA estimates a survivor benefit of \$1,800 at the planned start date. Avery also has a retirement estimate of \$2,600 at 70. If Avery qualifies, and work rules allow, Avery may compare two steps: start the survivor benefit first, then claim their own retirement benefit later.

The \$2,600 is a made-up estimate for this case. It is not worked out from the \$1,800. The two benefits come from different records. Avery's next step is to ask SSA to confirm the plan. Avery should also ask about any money held back because of work before retirement FRA.

Case: own retirement first, survivor later

Say Blake is 62 and has a modest retirement benefit. Blake can also get a possibly larger survivor benefit at survivor FRA. Blake asks SSA to compare two orders. One is an early retirement claim followed by a survivor claim. The other is the reverse.

Do not assume the “top-up” math used for ordinary spousal benefits works the same way here. Survivor benefits have their own rules for how they fit together. Get estimates for both orders. Keep the benefit start months in your decision file. [8]

Survivor benefits do not earn delayed retirement credits after survivor FRA. Still, the age when the highest survivor amount becomes payable can depend on the widow(er)’s benefit limit and other facts. Ask for the earliest month you could get the highest amount in your case. Do not just wait until 70 by default. [27, 26]

Children and adults with disabilities

Unmarried children who qualify may get benefits in these cases. They may get them before age 18. They may get them at ages 18–19 while in elementary or high school full time, under the rules that apply. Or they may get them as adults whose qualifying disability began before age 22. Other rules apply. These are not regular college tuition benefits. [7, 5]

A qualifying child of a worker who died generally gets up to 75% of the worker’s basic amount. That is subject to the family maximum and other changes. A child on the record of a living retired or disabled worker has a different top percentage. [27, 3]

A child-in-care benefit may end before an aged widow(er)’s benefit can start. Here is an example. A surviving parent might lose child-in-care benefits when the youngest child turns 16. But that parent may still be too young for an aged survivor benefit. The child’s own benefit may go on under separate rules. Plan for that possible gap in the family budget. [5]

For an adult with a disability, work with qualified disability and special-needs advisers on benefit questions. Some help is based on need. Do not assume that regular beneficiary choices, gifts, or changes in where the person lives will have no effect on that help.

Dependent parents and the family maximum

A dependent parent may qualify at 62 or later. The worker must have given at least half of the parent's support, and other rules must be met. If only one parent qualifies, the basic rate is generally 82.5% of PIA. If two parents qualify, each generally gets 75%. Both are subject to co-ordination and the family maximum. [29, 5]

The family maximum can limit the total paid on one worker's record. So do not add up each relative's percentage and expect the full total. Benefits to a qualifying surviving divorced spouse generally do not count toward the family maximum. [27]

The month of death: find the benefit month

A retirement benefit is not paid for the month the person dies. Benefits are usually paid in the next month. So the date a deposit arrives is not the same as the month it covers. [5, 30]

Here is an example. Say a retiree dies in July. A July deposit may be the benefit for June. An August deposit may be for July and may need to be returned. Do not decide based only on the deposit date. Tell SSA and the bank. Find out which month each payment covers. Ask how any reversed payment or unpaid amount will be handled.

Do not spend a deposit that is in question. Do not move it around on your own. Keep a record of the account and get instructions. Your family may also be owed money, such as an underpayment, under separate rules. The bank taking back a deposit is not a full decision about benefits.

A calm list of steps after a death

Make sure SSA has been told, even if a funeral home is helping. Ask about survivor benefits. Ask about benefits for children or dependent parents. Ask about the \$255 lump-sum death payment for an eligible spouse or child. This lump-sum payment is not paid to every estate automatically. [5, 27]

Ask how to apply. Survivor claims usually mean contacting SSA. You generally cannot just use the standard online retirement application. Compare the retirement and survivor orders you have before you make a final choice. [5]

Next, make a survivor budget. Update tax withholding when it makes sense. Review pensions, insurance, beneficiaries, and account access. Get legal advice before handing out property or changing a complex estate plan. The Social Security decision is only one part of the family's change.

Put this chapter to work

Fill in the survivor section of [Worksheet 3](#) before a crisis. After a death, use [Worksheet 12](#) to track who you told and key deadlines. Ask a trusted person to take notes during calls. The person claiming stays in charge of the decision.

The point to remember: A survivor needs a new income plan, not just a replacement check. Before you act, check the benefit, the start month, the deductions, and your choices.

Work, Benefits, and the First Year of Retirement

You can retire from a career without retiring from work. Consulting, seasonal jobs, a small business, or a few days a week at a familiar job can all be part of a happy retirement. Working is not the problem. The problem is assuming that all income affects Social Security the same way.

Before your full retirement age (FRA) for retirement benefits, the “retirement earnings test” can cause SSA to hold back benefits. The earnings test is a rule that limits how much you can earn from work while getting benefits early. Starting with the month you reach that age, the test no longer applies. But income taxes can still apply. Medicare premiums can still change. New earnings from covered work can still change your benefit amount. These are separate systems. [6]

The earnings test in plain words

For 2026, there are two yearly limits. Say you are under retirement FRA for the whole year. SSA generally holds back \$1 of benefits for every \$2 of countable earnings above \$24,480. Now say you reach retirement FRA during the year. In that year, SSA generally holds back \$1 for every \$3 above \$65,160. It counts only earnings before the month you reach FRA. Starting that month, there is no earnings-test limit. [6]

The second limit is not a higher allowance for everyone over 65. It applies only in the calendar year you reach retirement FRA. Use [Chapter 3](#) to find that month. Even if you get survivor benefits, the earnings test

ends at your retirement FRA. It does not end at an earlier survivor FRA. [6]

The test generally counts wages and net earnings from self-employment. Regular investment income, pensions, and withdrawals from retirement accounts do not count as earnings for this test. Whether certain rental or business income counts depends on what it really is. Calling pay a “distribution” does not settle the question. Income that is taxed and income that counts for the earnings test are not the same thing. [6]

Case: A part-time job that changes when payments arrive

Say Jordan is under retirement FRA for all of 2026. Jordan gets a \$1,800 monthly retirement benefit. Jordan expects \$34,480 of countable wages. That is \$10,000 over the yearly limit. Under the earnings test, SSA holds back \$5,000 of benefits: \$10,000 divided by two.

That does not always mean each monthly deposit drops by one-twelfth of \$5,000. SSA can hold back payments in its own way and settle up later. Jordan should ask which payments will really arrive. Jordan should keep some cash set aside. And Jordan should update the earnings estimate if work changes. This math is a planning example. It is not an SSA payment schedule.

The rule that helps many people who retire midyear

There is a special monthly rule. It is usually available in your first year of retirement. It can let you get benefits for any month SSA counts you as retired. That works even if your total earnings for the year are over the yearly limit. In 2026, the monthly earnings limit is \$2,040 if you are under FRA all year. It is \$5,430 for the months before FRA in the year you reach that age. If you are self-employed, doing “substantial services” — a lot of work in your business — can keep a month from counting. That is true even if your business profit is low. [31]

Case: A strong salary followed by a real retirement

Say Denise is 64. She earns \$90,000 from January through June. She stops working at the end of June. She wants benefits to start in July. From July on, she has no wages and does no substantial self-employment work. If you looked only at the yearly limit, this would seem like a big problem. But the special monthly rule may let her get full benefits for the months she is truly retired, despite her earlier salary.

Denise should tell SSA when her work really stopped. She should ask about the special monthly rule by name. Her old employer might pay her a bonus later for work she did earlier. If so, she should ask how SSA treats that payment and what proof SSA needs. The date a payment is made does not always show when the pay was earned. [31, 6]

Held-back benefits are not the same as losing your own money

At retirement FRA, SSA changes the reduction that was applied for claiming early. It gives you credit for months when benefits were held back under the earnings test. That can raise your monthly benefit later. But it is not a savings account. It does not promise a dollar-for-dollar refund on a set date. How much you get back depends partly on how long you keep getting benefits. [6]

There can also be a separate raise. This happens when new covered earnings replace a lower-earning year in the 35 years used to figure your benefit. Do not mix up that earnings-record recalculation with the credit for held-back benefits. Ask which change shows up on your notice.

Self-employment needs its own conversation

If you own a business, bring an estimate of your net earnings. Bring the months you worked and a description of the work you did. Bring details about who owns the business. For the special monthly rule, SSA can look at how much work you did and what kind. It does not just look at how

much money went into your checking account. Keeping the company while calling yourself retired does not decide the outcome. [31]

Working outside the United States can bring a different test in some cases. The “foreign work test” can depend on hours worked instead of dollars earned. [Chapter 13](#) explains the difference. Do not use the U.S. dollar limit for every job overseas.

A reporting habit that prevents surprises you can avoid

Give SSA a fair estimate of your yearly earnings. Update it when your work or pay changes. Keep the proof that you reported it. Later, compare your actual W-2 or self-employment earnings with that estimate.

If a notice looks wrong, do not assume one phone call fixed the record. Ask for an explanation. If needed, use the appeal process in [Chapter 9](#). Keep track of the deadline, even while someone is helping you look into it.

Your next action: Write down your expected earnings and your retirement FRA month on [Worksheet 2](#). Log your reports to SSA on [Worksheet 7](#). If you retire midyear, ask about the special monthly rule.

Apply, Check the Award, and Solve Problems

Your claiming decision is not done when you click Submit. It is done when the result matches your plan. That means the approved benefit, the start month, the deductions, and the deposits all match what you meant to put in place.

Think of your application as a small project. It has a start, a checking stage, and a file. Someone else should be able to understand that file if you could not help. The goal is not to collect more paperwork. The goal is to avoid rebuilding an important decision from memory later.

Choose the benefit month before the deposit month

Social Security retirement benefits are usually paid in the month after the month they are for. So a benefit that starts in July normally makes its first payment in August. This depends on processing and on the payment schedule that applies to you. Your birthday and the type of benefit can change your scheduled payment date. [30]

This difference belongs in your budget. Say you expect a July benefit to pay your July rent. You may need an extra month of cash. The month you pick on the application also matters for another reason. It affects how much your benefit is reduced, or how many delayed retirement credits you earn. Do not write a loose phrase like “around my birthday” when the application asks for a specific month.

You can usually apply for retirement benefits up to four months before the month you want them to start. Applying early is not the same as picking an early start month for your benefit. [32]

Prepare a short application brief

Before you apply, write a short note to yourself. Write down:

- The benefit you plan to claim
- The start month you want
- Why you picked that month
- Any issues SSA needs to think about

If you are married, note whether your spouse already gets benefits. If you are a survivor, list both records: the record of the person who died and your own record. Then say that you want to understand the order you could claim them in before you choose a benefit.

Gather the papers that matter for your claim. These may include:

- Identification and Social Security numbers
- Proof of age and status, when required
- Recent earnings information
- Marriage and divorce records
- Death records, for a survivor claim
- Information about eligible children
- Direct-deposit details

SSA can help you find out what evidence is missing. Do not put off contacting SSA just because one document is not available yet. [3]

When SSA requires them, use original documents or copies certified by the agency that issued them. A regular photocopy or a notarized copy may not be good enough. Ask how to send valuable documents safely and how they will be returned. Keep your own copies and a record of when and how you delivered them. [3]

Apply through the right channel

Many retirement claims can be filed online with SSA. Phone and office help still matter in some cases. These include a survivor claim, an unusual family history, life in another country, or trouble using an online account. Check how the process works now. Do not assume one application covers every benefit. If you live abroad, use the office in charge of your country, as [Chapter 13](#) explains. [32, 33]

Use the official SSA website or a phone number you have checked yourself. You do not need to pay a service just to file a regular retirement claim. You may choose to pay a professional to analyze your choices or to represent you. But keep that paid service separate in your mind from the government's own application.

Before you submit, check these items:

- The start month
- Names
- Bank details
- Your earnings estimate
- Your answers about marriages and children

Save the application confirmation. Also save a copy or a summary of what you sent. If you need to fix something, keep a record of your request. Ask whether the fix changes the date your benefit takes effect or any other choice you made.

Read the award notice as a checklist

An award notice can look scary. That is because it mixes three things: a decision, a calculation, and payment instructions. Read it three times, looking for one thing each time.

First, check **what was approved**. Look at the type of benefit, whose record it is based on, and the first month you have the right to the benefit.

Second, check **the calculation**. Look at the gross monthly benefit (the amount before deductions), any reduction for age or delayed credits, any effects from the earnings test, and other adjustments. Third, check **the money movement**. Look at Medicare and tax deductions, other withholding, the net deposit (what actually lands in your bank), any back payment, and the expected payment date.

[Worksheet 6](#) turns these questions into a one-page review. Compare the notice with your application brief. Do not just compare it with the last online estimate you remember. An estimate that assumed you kept working can differ from an award based on your actual earnings. A difference is a reason to understand the calculation. It is not proof that SSA made a mistake.

Case: The deposit is correct, but the assumption was wrong

Say Thomas expects a \$2,600 gross monthly benefit. His notice shows that amount. It also shows a \$202.90 standard Part B premium and \$260 in federal income-tax withholding that he chose. With no other deductions, his expected deposit is \$2,137.10.

At first, Thomas thinks he was underpaid by \$462.90. But the award review shows the gross benefit was correct. His budget had treated a before-tax amount as money he could spend. The fix is to correct his budget, not to file an appeal. The tax withholding here is just an example choice. It is not his final tax bill.

When a decision seems wrong

Ask for the exact reason for the decision. Also ask for the calculation or evidence behind it. Build your response around the one fact you disagree with. For example, that might be a missing year of earnings, the wrong marriage date, a start month you did not ask for, or a deduction based on a wrong earnings estimate.

Here is a useful message: “My notice dated ___ uses . ***My records show*** . I am enclosing _____. Please explain or correct this item. I also want to preserve my appeal rights.”

Asking a question and filing a formal appeal are not always the same thing. Read the instructions in your notice. In general, you must ask for an appeal within 60 days after you receive the notice. SSA usually assumes you got the notice five days after the date on it, unless you show otherwise. Some deadlines for keeping your benefits going are shorter. A late appeal needs SSA to decide you had a good reason, called “good cause.” If a deadline is coming up, do not wait for a callback. [34, 35]

The usual review steps are, in order: reconsideration (a fresh look by SSA), a hearing with an administrative law judge, review by the Appeals Council, and review in federal court. The path and the forms you need depend on the decision. Keep copies, proof that you sent things, and a dated log. Think about getting a qualified representative when the facts or the rules are complicated. [34]

Overpayments: three different requests

An overpayment notice means SSA believes it paid you more than you were due. It does not automatically mean you did anything wrong on purpose. But you do need to act.

There are three different requests you can make:

- **Reconsideration** questions whether there was an overpayment at all, or whether SSA figured the amount correctly.
- **A waiver request** asks SSA not to collect the overpayment under the rules that apply. Those rules look at fault and at money or fairness concerns.
- **A different repayment arrangement** deals with how you pay it back when you do have to repay.

These requests do different jobs. Sometimes more than one issue needs attention. [36]

Follow your actual notice and SSA's current instructions. SSA's current guidance says it protects you from collection while it decides a waiver or appeal you send in within 30 days of the notice. That collection timeline is different from the general appeal deadline. Recovery percentages and steps can change. So this book does not treat an old default withholding rate as a permanent rule. [36]

Case: A wage estimate was never updated

Say Renee estimated small part-time wages. Later she took on a larger contract. Her benefits kept coming. After her earnings were checked against the estimate, she got an overpayment notice.

Her first step is to compare SSA's wages, dates, and withholding calculation with her own records. If those are wrong, she can challenge them. If the amount is right but repaying it would keep her from paying essential bills, she can ask about a waiver or a different repayment rate. Money trouble alone does not guarantee a waiver.

Missing payments and trouble getting into your account

First, check the expected payment date, your bank information, and any notice that explains a change. Then contact the right bank or SSA office. Use contact details you have checked yourself. Several things can stop a payment: a questionnaire for people abroad, an address problem, an earnings report, or a bank rejection. Each one has a different fix.

Never "fix" an access problem by giving someone else your account password. Ask SSA what kind of help or representation is right. [Worksheet 7](#) gives a helper enough information to follow the problem. It does this without gathering every sensitive ID number in a notebook that is not secure.

Your next action: Fill in [Worksheet 6](#) when your award arrives. Compare your first two deposits with it. Keep [Worksheet 7](#) next to every problem that is not solved yet. Treat each deadline as its own task, even while the main question is still being discussed.

CHAPTER 10

Taxes and the Money You Can Actually Spend

A \$3,000 benefit and a \$3,000 deposit are not always the same thing. Federal tax withholding, Medicare premiums, and other deductions can shrink the deposit. State taxes, or taxes in another country, may be paid separately. So a good retirement plan starts with gross income (before deductions). But it makes spending decisions with net income (what you actually get to spend).

This chapter covers the usual U.S. federal rules. Taxes for nonresident aliens and situations involving tax treaties need the separate look in [Chapter 14](#). A real tax return also has more detail than the simple examples here. Repayments, lump-sum benefits, income that is left out, and unusual filing situations can change the math. [\[37\]](#)

“Up to 85% taxable” is not an 85% tax rate

When part of your Social Security is taxable, that part gets added into your income-tax calculation. It is not a special tax of 85 cents on every benefit dollar. The tax you finally owe depends on your other income, deductions, filing status, credits, and tax rates.

The first check is often called **combined income**, or provisional income. This is a number used to decide whether your benefits are taxable. Roughly, it adds up three things: your other adjusted gross income, your tax-exempt interest, and half of your Social Security benefits. Some exclusions and special cases need adjustments. For your actual return, use the worksheet in IRS Publication 915 or tax software. [\[37\]](#)

Filing situation	Lower threshold	Upper threshold
Single, head of household, or qualifying surviving spouse	\$25,000	\$34,000
Married filing jointly	\$32,000	\$44,000
Married filing separately	Special rules	Do not use the rows above automatically

Below the lower threshold that applies to you, benefits usually are not taxable under this calculation. Above it, some benefits can become taxable. Above the upper threshold, up to 85% can be counted as income. These are income limits, not tax brackets. Married people who file separately and lived together during the year are treated quite differently. [37]

Case: A tax calculation without the scary headline

Say Grace is single and retired. She gets \$30,000 of Social Security. She has \$20,000 of other income that counts in this simple calculation. She also gets \$1,000 of tax-exempt interest. Her combined income is \$36,000: \$20,000 + \$1,000 + \$15,000.

Using the usual Publication 915 calculation with these numbers, \$6,200 of her benefits is taxable. That is \$1,700 (85% of the \$2,000 above the upper threshold) plus \$4,500 from the lower tier. The result is less than 85% of her total benefits. Grace does **not** owe \$6,200 in tax just because \$6,200 counts as taxable income. Her full return decides the tax.

The lesson is not to memorize this formula. It is to see why this thought is incomplete: “My income is over \$34,000, so 85% of every benefit is taxed.”

The extra deduction for people 65 and older

For tax years 2025 through 2028, eligible people age 65 or older may claim an extra deduction of up to \$6,000 each. The law’s requirements and income phaseouts apply. A phaseout means the deduction shrinks as

income goes up. Here it starts above modified adjusted gross income of \$75,000 for one person or \$150,000 for a joint return. A qualifying married couple could claim up to \$12,000. You can use this deduction whether or not you itemize, if you are eligible. Married taxpayers usually must file jointly. Social Security number rules also apply. [38]

This rule does not cancel the rules that tax Social Security. Also, do not assume this deduction lowers the income number used for Medicare premiums. It is taken after adjusted gross income, so it may not. Ask your tax preparer to show you where the deduction goes on your return.

Withdrawals can affect more than one number

A withdrawal from a traditional IRA can give you spending money. But it also raises your taxable income. Depending on your situation, it can make more of your Social Security taxable. It can also affect a Medicare premium later that is based on income. A Roth conversion also creates taxable income, even though you are not spending that money on groceries.

A qualified Roth withdrawal usually does not count in the regular federal calculation of how much Social Security is taxable. Selling an investment in a taxable account usually does not make the whole sale amount taxable. What you paid (your basis) and your gain matter. These differences show why a household should look at where a withdrawal comes from, not just how big it is. Rules across borders can be very different. [37, 39]

Do not convert an account just because a chart says you are in a low tax bracket. Compare these things first:

- The tax you would owe now
- The cash you have to pay it
- Effects on Medicare
- Other benefits that depend on income

- Future required withdrawals
- How your new country treats it, if you live abroad

A conversion can be a good idea and still be the wrong size or done in the wrong year.

Medicare's income-related adjustment

People on Medicare with higher incomes can pay an extra amount for Part B and Part D. It is called the income-related monthly adjustment amount, or **IRMAA**. SSA usually uses your tax return from two years earlier to set it. For 2026, the standard Part B premium is \$202.90 per month. Higher premiums usually start above modified adjusted gross income of \$109,000 for one person or \$218,000 for a joint return. Some married people who file separately have special rules. [40, 41]

So someone retiring in 2026 may see a premium based on a working year when income was higher. A qualifying life-changing event can support a request to use more recent income. Examples include stopping or cutting back work, marriage, divorce, or a spouse's death. Form SSA-44 explains the events and the evidence you need. Not every drop in the value of your investments counts as a qualifying life-changing event. [41]

Case: Retirement changes the income story

Say a couple's earlier tax return shows two full salaries. Now both have retired. Their Medicare notice uses that earlier return. They do not assume the premium is locked in forever. Instead, they review SSA-44, document that they stopped working, and give a reasonable estimate of the new year's income they can back up. SSA, not the couple, decides whether the request changes the adjustment.

Withholding is a way to pay, not the final bill

Form W-4V lets you choose to have federal tax taken out of your Social Security at 7%, 10%, 12%, or 22%. Send the form to the payer as instructed. Do not send it to the IRS on its own like a payment. SSA also offers a

way to ask for withholding changes. Other taxpayers make estimated payments or have tax taken from another source of income. [42]

The percentage you pick is not your actual overall tax rate. Too little may leave you owing money or a penalty. Too much cuts your cash now for no reason. Look at your withholding again when a spouse dies, work stops, you take a large withdrawal, or your tax home changes.

States also treat benefits differently. Do not pick a state, keep an address, or assume you are not a resident based on a list of states that tax benefits. Your domicile (your true legal home) and your residency are questions of fact and law. For the actual year, use the state's revenue department and qualified advice.

Charitable giving and later-life withdrawals

A qualified charitable distribution from an eligible IRA may be available starting at age 70 1/2 when the legal requirements are met. This is money sent from your IRA to a charity. It usually must go straight to an eligible charity. It has a yearly limit that is adjusted each year. It can work well with required withdrawals and taxable income. But a check paid to you that you then donate is not automatically the same thing. [43]

Required minimum distributions (RMDs) are the amounts you must take out of certain accounts each year. The rules depend on your birth year, the type of account, your job situation, and whether you inherited the account. For many current owners, the starting age is 73. For people born in 1960 or later, it is usually 75. Roth accounts, inherited accounts, and workplace-plan rules each need their own review. Use current IRS instructions. Do not copy a neighbor's deadline. [39, 44]

Build a net-income page

Write down your gross income, your deductions, any extra money set aside for taxes, and the income you can spend. Do not subtract a tax or

premium twice. Then do the math again for the surviving spouse. That person's income and tax situation may change.

Your next action: Fill in [Worksheet 4](#). Ask your tax preparer to compare your possible claiming dates and withdrawals using net household income. Do not rely on one order for spending accounts that is supposed to fit everyone.

CHAPTER 11

Medicare, Health Coverage, and the Cost of Waiting

Waiting to take Social Security does not always mean waiting to get Medicare. These are two separate decisions. Their paperwork overlaps, but the results are very different.

Medicare usually becomes available at 65. Some people qualify earlier because of a disability or certain medical conditions. Premium-free Part A usually depends on having enough work covered by Medicare. That can come through your own record or through a qualifying family relationship. Other eligibility rules apply, especially for people without that work history or who are not citizens. Do not assume a retirement-benefit estimate proves you are eligible for health coverage. [45, 46]

Understand the two main coverage paths

Original Medicare has two parts. Part A mainly covers hospital care. Part B mainly covers medical care. People often add a separate Part D plan for prescription drugs. They may also buy Medicare Supplement Insurance, often called Medigap, to help pay their share of covered costs.

Medicare Advantage, also called Part C, is another way to get Medicare-covered benefits. It works through an approved private plan. Many of these plans include Part D. Compare network rules, prior approval rules (called prior authorization), service areas, and what you pay carefully. You usually keep paying the Part B premium, even when the plan advertises a zero-dollar extra premium. [46]

Medigap is not an add-on that pays a Medicare Advantage plan's copays. These are different kinds of coverage. Compare more than the monthly

premium. Look at access to your doctors, hospitals, and medicines, how much you expect to travel, and what a bad health year would cost you. Original Medicare alone usually has no yearly out-of-pocket maximum for Part A and Part B services. Medicare Advantage plans do have limits for covered Part A and Part B services, under their own terms. [46]

The enrollment calendar matters

The usual initial enrollment period lasts seven months. It covers the three months before the month you turn 65, your birthday month, and the three months after. If your birthday is on the first day of a month, the timing can shift. When your coverage starts depends on when you sign up. People who already get certain benefits may be signed up automatically. Others must take action. Check instead of assuming. [20]

Say you miss the initial period and do not qualify for a special enrollment period. You may need to use the general enrollment period, January 1 through March 31. When it applies, the Part B late-enrollment penalty usually adds 10% for each full 12-month period you waited. It usually lasts as long as you have Part B. Other enrollment exceptions exist. So if you seem to be late, ask about them. Do not decide on your own that you can never qualify. [20, 45]

Working past 65: ask about current employment

Group health coverage can let you use a special enrollment period for Part B. It must be qualifying coverage based on your or your spouse's **current employment**. The size of the employer matters. So does which coverage pays first. Ask the employer's benefits administrator and Medicare to confirm how your specific plan works with Medicare. "I have insurance" is not enough information. [45]

COBRA and retiree coverage are a common trap. COBRA lets you keep your job's health plan for a while after you leave. But neither COBRA nor retiree coverage extends the Part B special enrollment period the way many people expect. That period usually lasts eight months after your

job or your qualifying coverage ends, whichever comes first. Waiting until COBRA ends can be too late. Also, having an enrollment window does not mean it is safe to go without insurance until its last day. [47]

Case: The COBRA date is the wrong date

Say Andrea works past 65 and has qualifying coverage from her employer. She retires in June. She chooses COBRA for 18 months. She should not mark the end of those 18 months as the time to start thinking about Part B. She needs to line up Part B with the end of her current job and her qualifying coverage. That protects both her right to enroll and her continuous coverage.

Before she retires, Andrea asks for written proof of her coverage dates and which benefits continue. She sets up the change while her employer's benefits team is still easy to reach.

Health savings accounts: watch for back-dated Part A

Signing up for Medicare affects whether you can put money into a health savings account, or HSA. If you apply for premium-free Part A after 65, your coverage can be back-dated up to six months. But it cannot start before the first month you were eligible. That back-dating can make contributions for those covered months not allowed, including money your employer put in. [20]

If you plan to apply later, line up the date you stop HSA contributions before you file for Medicare or Social Security. "Stop six months before" is a common planning warning. But it is not a reason to ignore your actual Medicare start date. It is also not a reason to stop for no reason six months before you turn 65. Ask your tax preparer and benefits administrator to check the exact months.

Medigap has a different enrollment protection

The federal Medigap open enrollment period usually lasts six months. It starts when you are both 65 or older and signed up for Part B. During

that time, an insurer cannot use your health in the usual way to turn you down or charge you more. This health check is called medical underwriting. Outside that period, federal guaranteed-issue rights and extra state protections may apply. But you are not guaranteed a policy everywhere. [48]

This is not the same as Medicare's yearly fall period for reviewing plans. If you are leaving Medicare Advantage for Original Medicare, check whether you can get Medigap and what it costs. Do this before you assume the supplement you want will be available. Do not cancel your current coverage first and check afterward.

Prescription drugs and a bad-year budget

Part D plans have formularies (lists of covered drugs), pharmacy rules, and rules for what you pay. Compare the actual medicines and doses you take. Going 63 days in a row or more without Part D or other creditable drug coverage can lead to a late-enrollment penalty. This applies after the eligibility period that fits you. Creditable means the coverage is at least as good as Medicare's. Keep the notice from your employer that says your coverage is creditable. [49]

For 2026, the yearly out-of-pocket limit for covered Part D drugs is \$2,100. That is not a cap on every prescription, premium, or medical cost. Drugs your plan does not cover, and services outside Part D, need separate attention. [49]

Besides premiums, plan for deductibles, copays, services that are not covered, dental and vision needs, and possible long-term care. Medicare does not promise to pay all long-term custodial care costs. Custodial care is help with daily tasks like bathing and dressing. Ask what a plan covers, for how long, and under what conditions. [46]

Help with costs exists

Medicare Savings Programs can help eligible people pay premiums and sometimes other costs. Extra Help can lower Part D costs for people who qualify. Income and asset rules, how each state runs things, and eligibility groups all vary. If you are close to a limit, ask. Do not assume you cannot qualify. Medicare, Medicaid, and SSI are different programs, even when people qualify for more than one. [50, 51]

Use Medicare's official resources. For free, unbiased Medicare counseling, use your State Health Insurance Assistance Program, or SHIP. A licensed insurance professional may also help you compare products. But ask which plans that person sells and how they get paid.

A plane ticket does not make Medicare international

Original Medicare usually does not cover health care outside the United States. There are a few narrow exceptions, such as certain border and travel situations. Some Medigap policies include limited emergency coverage for foreign travel. For the standard policies with that benefit, coverage usually pays 80% after a \$250 yearly deductible. It covers qualifying emergencies that start in the first 60 days of a trip. There is a \$50,000 lifetime limit. Check your actual policy. [52]

Some Medicare Advantage plans offer emergency or urgent-care benefits abroad. But neither that nor a Medigap travel benefit replaces a long-term overseas health plan. Travel medical insurance and international health insurance also have limits. These include exclusions, limits on trip length, rules about health conditions you already have, and definitions of when they will pay for evacuation. Never assume a policy “covers the rest.”

Before you drop Part B during a move overseas, compare a few things. Weigh the ongoing premiums against when you could sign up again, possible penalties, and the risk that you might have to come back suddenly.

Special situations can affect your rights. Get advice that fits your own coverage history. A permanent move can also affect your Medicare Advantage or Part D plan. That is because these plans require you to live in their service area. [52, 53]

Your next action: Fill in [Worksheet 8](#) with the actual dates your coverage starts and ends. Keep proof of your job-based coverage and your creditable drug coverage. If you are moving abroad, fill in the health section of [Worksheet 9](#) before you make travel or housing decisions you cannot undo.

PART IV · RETIRE ACROSS BORDERS

CHAPTER 12

Before You Move: Answer Five Different Questions

“Can I get Social Security in another country?” sounds like one question. For a real household, it is at least five questions.

You may have the right to a benefit but still be unable to get paid in a certain place. You may get paid abroad but find that your tax status changes. You may keep your benefit but put your permanent-resident status (your green card) at risk. Your income can keep coming while your health coverage stops. A bank account does not solve any of these questions by itself.

This chapter pulls these questions apart. That way, you can answer each one before you make choices that are hard to undo.

Question 1: Do I have the right to this benefit?

First, name the benefit. It could be retirement on your own work record. It could be a spousal benefit, a divorced-spouse benefit, or a survivor benefit. It could also be disability or SSI. Then check the work, age, family, and application rules that apply to it. Qualifying for a benefit on a worker’s record is one thing. Qualifying to be paid outside the United States is a different thing. [54]

Here is an example. A person with 40 credits may meet the usual “insured status” rule for retirement benefits. (Insured status means you have worked enough to qualify.) But that person still has to meet the age and application rules. A spouse without 40 credits may qualify on the

worker's record. Neither result, on its own, tells you whether you can be paid in another country.

SSI needs its own warning. SSI is Supplemental Security Income, a need-based program. Its rules about being away are much stricter than the rules for retirement benefits. SSI generally is not paid when a person is outside the United States for a whole calendar month. It also generally is not paid when a person is away for 30 days in a row or more. There are a few narrow exceptions. There are also rules about coming back. Do not read this book's discussion of retirement payments as permission to take SSI abroad. [1]

Question 2: Can SSA pay the benefit in my situation abroad?

The answer can depend on many things. These include your citizenship, the country where you live, and the type of benefit. They also include the worker's record, your family's history of living in the U.S., international agreements, and payment limits. U.S. citizens generally can keep getting eligible Social Security benefits in countries where payment is allowed. People who are not citizens need an exception that fits them. Without one, the general rule stops payments after a long time away. [54, 55]

Use the SSA Payments Abroad Screening Tool. Run it separately for each person and for each benefit type that matters. Save the date, the facts you entered, and the result. The tool is a starting point. It does not replace SSA's decision on a complex case or a case in dispute. Check any unusual situation with the office in charge of the country you are moving to. [56]

Do this before you sell a home or cancel U.S. health coverage. Do it before you plan a budget around two steady benefits. A spouse's result may not match the worker's result.

Question 3: What happens to my immigration status?

A green card shows that you are a lawful permanent resident of the United States. It is not just a travel pass for life. USCIS, the U.S. immigration agency, can look at whether a person has given up permanent residence. It looks at the facts and the person's intent during the time away. A trip shorter than one year is not automatically safe if the person has really moved for good. Reentry papers and travel history need their own review. [57]

That immigration question is separate from whether SSA can pay an eligible noncitizen living abroad. Getting Social Security does not prove you have kept your green card. In the same way, a change in immigration status does not, by itself, tell you which Social Security exception applies.

Citizenship can change some benefit-payment rules. But becoming a U.S. citizen (naturalization) is not a Social Security shortcut that fits everyone. It comes with eligibility rules and duties. It may affect another citizenship you hold. It also involves personal choices. Giving up U.S. citizenship, or ending long-term permanent residence, can also bring large tax effects. Get advice on immigration and cross-border taxes before you take either step. [57, 58]

Question 4: Where am I a tax resident, and who taxes each kind of income?

Where you physically live is one factor. It is not the whole answer for everyone. You can become a U.S. tax resident under the green-card rule or the "substantial presence" rule. (Substantial presence is a test based on how many days you spend in the U.S.) There are exceptions and treaty issues. Another country can use its own tests for who is a resident. Citizenship, treaty residence, immigration status, and the address on your bank statement are all different things. [59]

A person who is not a citizen can still be a U.S. tax resident. A U.S. citizen living abroad generally still follows U.S. tax rules on income from anywhere in the world. Filing thresholds, exclusions, credits, and treaty rules can apply. Social Security is not “foreign earned income.” So you cannot simply leave it out under the foreign earned income exclusion. [59, 60]

Ask a tax preparer to sort each kind of income on its own. That includes Social Security, each pension, IRA withdrawals, and Roth withdrawals. It also includes investment income, annuity payments, and insurance transactions. A treaty rule about Social Security may not apply to any of the others. [Chapter 14](#) explains the overall framework. [Chapter 15](#) shows why the rules for each country matter.

Question 5: What pays for health care and an unexpected trip home?

Check your coverage for routine care, emergencies, and ongoing prescriptions. Check it for conditions you already have, long-term care, and medical evacuation where it matters. Ask what happens if you come back to the United States for treatment. Ask what happens if you move back for good. Medicare, foreign public coverage, retiree coverage from an employer, travel insurance, and international health insurance each have their own rules and limits. [52]

Do not budget only for a normal month. Set aside money for a medical trip or for temporary housing. Also plan for a return that happens before your preferred U.S. coverage starts. Even the cheapest expected lifestyle may still need a large emergency fund.

Case: Two people, five separate answers

Say Suresh and Lakshmi are citizens of India with U.S. green cards. Suresh has 40 U.S. credits. Lakshmi expects a spousal benefit. She has lived in the United States as his spouse for 12 years. They want to settle in Chennai.

Their facts may support continued Social Security payments under the noncitizen rules that apply to them. That includes the extra rule about how long the family lived in the U.S. But that answer does not show that a permanent move keeps their green cards. It does not show that their U.S. tax residence changes right away. And it does not give them medical coverage in India. [54, 57, 59]

Their planning file should hold five answers for each person. Each answer should list the official source or the professional who gave it. “Our friends did it” is fine to talk about. It does not belong in the evidence column.

Make a move decision in stages

A practical order works like this. First, look into everything. Second, double-check the issues that are costly or cannot be undone. Third, act. Before you commit to a permanent move, gather these things: benefit estimates, payment screening results, and immigration advice when you need it. Also gather tax projections for each kind of income and the real terms of your health coverage. Then test your bank access, your ways of staying in touch, and a realistic local budget.

A trial stay can show you problems with housing and daily life. But a trial stay is not automatically free from tax, immigration, or benefit rules. Keep an accurate record of it. If a big question is still open, mark it as open. Then note which decision has to wait for the answer.

Your next action: Fill out one [Worksheet 9](#) for each person in your household. Do not mark a line “confirmed” just because another line looks good. A move is ready when all five answers fit together, not when the first answer is yes.

Keep Payments Moving: Residence, Work, Banks, and Mail

Once you know you qualify, the challenge becomes practical. Can SSA reach you? Can the bank accept the payment? Do you know what you must report? Can someone help you without pretending to be you?

Build your overseas plan so it keeps working during normal hiccups. Think of a new phone, an expired document, a delayed flight, a form sent back to you, or a spouse in the hospital.

Three time measurements you must not mix up

For these international Social Security rules, SSA generally treats you as outside the United States after you spend at least 30 days in a row outside the covered U.S. areas. It keeps treating you as outside until you come back and stay at least 30 days in a row. The covered areas are the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa. Other agencies may define “the United States” in a different way. [54]

Now think about a noncitizen with no exception that keeps payments going. For that person, benefits generally stop after six full calendar months outside the United States. Once payments stop under that rule, restarting them generally takes a full calendar month in the United States. That means from the first minute of the first day to the last minute of the last day. Proof of lawful presence may be needed too. Thirty days in a row and a full calendar month are not the same test. [54]

Case: A travel calendar, not a six-month guess

Say a noncitizen has no exception that applies. This person leaves the United States on January 15. They stay abroad and do not make a return that counts. February through July are six full calendar months. Under these facts, August is the first month in which payments stop. A few days back in the United States do not fix the problem.

Now say the person comes back on September 10 and stays through all of October. September is not a full calendar month in the U.S. In this travel plan, October is the first full calendar month that could meet the return rule. Ask SSA to confirm the month payments restart, the proof you need, and when a deposit will actually arrive. Do not count on a bank payment based only on this example. [54]

When an exception allows payments to continue, the general six-month stop may not apply. But you still have to report changes. Country limits still apply. Immigration and tax issues still matter.

Citizenship and family history can change the result

Some exceptions that keep payments going depend on citizenship. Others depend on living in an agreement country or on facts about the worker. Some noncitizen dependents and survivors must show at least five years of living in the U.S. during the family relationship that matters, unless an exception applies. Children have their own special rules. Do not guess them from the spouse's rules. [54]

For citizens of India and some other listed countries, one key payment exception looks at the worker. The worker must have at least 40 U.S. credits or at least 10 years of living in the U.S. Dependents and survivors have extra requirements. The 10-year residence option is a **payment-abroad condition**. It does not replace the work-credit rules for qualifying for your own retirement benefit. [54]

Do not guess a noncitizen's result just from where the person plans to live. Write down each of these separately: citizenship, residence, benefit type, worker information, and the dates the family lived in the U.S. Use the current screening tool. Confirm any exception you are counting on.

Restricted destinations need a current check

As checked for this edition, Treasury rules forbid payments to people living in Cuba or North Korea. Different rules decide whether money held back can be paid later, and those rules differ for citizens and noncitizens. SSA also lists Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan as restricted places. Some eligible people who meet special conditions are an exception. Other sanctions can also affect payments. [54, 55]

A printed list is dated. It is not a permanent green light to travel. Check again before a move or a long stay. Check again before you change the bank that receives your payment. Sending money through a U.S. account does not make a forbidden place of residence acceptable.

The foreign work test is not the domestic earnings test

Say you are under full retirement age (FRA), the age when you can get your full retirement benefit. Say you also work outside the United States in work that does not pay U.S. Social Security taxes. In that case, SSA can hold back your benefit for any month you work more than 45 hours. In that situation, the amount you earn is not what decides it. Work that is still covered by U.S. Social Security may fall under the yearly retirement earnings test instead. (The earnings test can hold back benefits if you earn over a set yearly amount before FRA.) [54]

Owning a business, agreeing to work, and days SSA counts as work can make the math harder. SSA tells people under full retirement age to report owning a foreign business, even with no active work or income. Do not assume a business does not count just because you call yourself a si-

lent partner. Also ask whether money held back on a worker's record affects family benefits. [54]

Case: A small consulting fee with a large consequence

Say Miguel is 64. In one month, he spends 50 hours on work abroad that does not pay U.S. Social Security taxes. He earns only \$600. If you compare \$600 to the domestic yearly earnings limit, you miss the real issue. The foreign work test can hold back his benefit for that month because his hours are over 45.

Before he takes the job, Miguel should confirm which test applies. He should ask which hours or services he must report. He should ask how any family benefits are affected. It does not matter whether the client pays into a U.S. bank account. That does not decide where the work was done or which test applies.

A U.S.-dollar calculation is not always a dollar deposit

SSA figures benefits in U.S. dollars. It does not change your dollar benefit when exchange rates move. But international direct deposit often pays you in local money under that country's setup. Some setups allow U.S.-dollar accounts. Canada lets you choose. Confirm with SSA and the receiving bank which currency you will get and how it is converted. [54, 61]

A U.S. bank account may be an option. But ask the bank whether it serves customers who really live where you live. Ask what proof it needs. Do not give a false home address to get around a limit. A real mailing address and the place you actually live can be different fields. Report both honestly.

Case: The benefit stays flat while the budget changes

Say a sample net benefit of \$2,500 is converted at 80 units of local money per dollar. That gives 200,000 units before fees. At 72 units per dollar, the same benefit gives 180,000 units. What you can buy in local

money drops 10%. Yet the Social Security dollar amount has not changed.

This is not a guess about exchange rates. It is not advice to trade currencies. It is a reason to test your budget under stress. Learn the conversion fees. Keep a fitting emergency fund for costs in each currency.

Build backups without being dishonest

Test your account access before you leave. Use strong login security that works where you will live. Keep your account recovery options safe. Have more than one legal way to get the cash you need. Ask whether bank cards, replacement cards, and phone codes work abroad. Do not put passwords in a worksheet. Do not give them to someone who is just helping with paperwork.

Report changes in where you live, your work, your family status, and other facts that affect whether you qualify. Send back SSA questionnaires by their real deadlines. The timing of questionnaires varies. A standing reminder to watch your mail works better than assuming every form comes in the same month for everyone. Keep a copy and proof that you sent it back. [54]

Use SSA's **Service Around the World** directory to find the Federal Benefits Unit or other office in charge of your country. It may not be the closest embassy. Not every embassy has a benefits unit. Write the current contact information in [Worksheet 7](#). [33]

Your next action: Fill out the payment and communication parts of [Worksheet 9](#). Test your access, check the bank's rules about where customers live, and save the right benefits-office contact. Use [Worksheet 10](#) for travel dates. Use [Worksheet 7](#) for every report that could affect payment.

CHAPTER 14

Work in Two Countries, Taxed in Two Systems

Planning to retire in another country gets much clearer when you separate three sets of rules. People often blend them together. One set creates a benefit. One set allows payment abroad. One set decides who gets to tax the income.

A country can have an income-tax treaty with the United States without having a Social Security totalization agreement. A treaty may decide who taxes a benefit without giving anyone the right to that benefit. These are separate questions, with separate documents.

What totalization agreements do

The United States has Social Security agreements with certain countries. These are called totalization agreements. They help the two countries line up coverage and benefits. They can stop you from paying Social Security taxes to both countries on the same work. They can also help you qualify for benefits by counting work periods from both systems. The details differ from one agreement to the next. [\[13\]](#)

For a U.S. totalized benefit, you generally need at least six U.S. credits. If your U.S. record alone is not enough, qualifying work in the agreement country can help you meet the insured-status rule. (Insured status means you have worked enough to qualify.) Each country then uses its own benefit rules and pays its own benefit. Foreign earnings do not just turn into U.S. wages in one combined account. [\[13\]](#)

Case: Enough work, but divided between systems

Say Ana earned 28 U.S. credits. She also has a large Canadian work record. She does not have the usual 40 U.S. credits for retirement on her U.S. record alone. The U.S.-Canada agreement may let her qualifying Canadian work help her qualify for a proportional U.S. benefit. That means a smaller U.S. benefit based on her share of U.S. work. Canada looks at her Canadian benefit on its own.

Ana should get estimates from both systems. She should find out each country's claiming ages. She should ask which application starts the cross-border claim. She should not take a U.S. estimate for a 35-year U.S. career, multiply it by a made-up percentage, and call that a totalized award.

Coverage certificates are not optional assumptions

A worker sent abroad for a while may stay covered by one country's system under an agreement. This often requires a certificate of coverage. The rules on how long, the employer relationship, self-employment, extensions, and special groups all vary. The familiar "five-year assignment" rule is not the answer for every country or every worker. [13]

Ask your employer and the right agency which system covers your work and what document proves it. A certificate about payroll coverage does not always settle income tax. It does not always settle permission to work locally or how to claim benefits.

Also, do not confuse totalization with qualifying for Medicare. Combining foreign work to qualify for a cash benefit does not automatically give you premium-free Medicare Part A. Check Medicare on its own. [13]

Countries without an agreement

As checked for this edition, India and Mexico are not on SSA's list of countries with an agreement in force. Canada, the United Kingdom, and Portugal are on the list. A proposal, a talk in progress, or a signed agree-

ment that is not yet in force is not a reason to count on combined credits. [Appendix A](#) lists the current agreement countries and the source to check again. [\[13\]](#)

Say a worker leaves the United States with 32 credits. Later, the worker works only in a country with no agreement that applies. That worker generally cannot use the foreign work to reach the usual 40-credit requirement. The U.S. credits already earned stay on the record. Leaving does not get you a refund of Social Security taxes that were paid correctly. Future covered work may help. But whether work outside the United States counts as covered needs its own review. [\[11, 13\]](#)

If you are only a few credits short, get an accurate credit count before you move. Then look into legal jobs that are truly covered. Do not assume that any income, payment, or transfer can buy the missing credits.

A foreign pension and the Fairness Act

The Fairness Act repealed the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO). These were rules that used to cut some benefits for people with certain pensions. The repeal removes those cuts for benefits payable for January 2024 and later. A foreign or public pension does not set off those repealed cuts for those months. But the repeal does not create missing credits. It does not remove the usual reduction for claiming early. It does not erase a family maximum. And it does not remove tax rules or international payment rules. [\[17\]](#)

Some people were told not to apply because of one of these cuts. If that was you, review whether you qualify and when to apply. Do not assume that everyone who never applied will get every missed payment. SSA has to review the claim and the rules about how far back payments can go.

Tax residence comes before the withholding estimate

U.S. citizens and resident aliens generally use the normal federal tax rules, including any treaty rules that apply. Nonresident aliens generally

have 30% of 85% of their Social Security benefits held back for tax. That works out to **25.5% of the gross benefit**, unless a treaty or another rule changes the result. [62, 59]

Here is an example. Say a \$2,000 gross monthly benefit is subject to that standard nonresident withholding. Then \$510 would be held back, leaving \$1,490 before any other deductions. This example shows how the withholding rule works. It does not mean every noncitizen abroad owes that amount.

A green-card holder does not automatically become a nonresident alien for tax purposes when leaving the U.S. Treaty positions, ending your status, and the expatriation rules for long-term residents can have serious effects. Have a specialist decide your tax classification and the papers you need before you change your withholding instructions. [59, 58]

Treat each income stream separately

A useful cross-border tax chart has one row for each source of money. Those sources are Social Security, a U.S. government pension, a private pension, and a traditional IRA. They also include a Roth account, taxable investments, rental property, an annuity, and life insurance. For each one, find out who can tax it and what withholding applies. Find out what relief or choice (election) is available. Find out what reporting is still required.

A treaty's **saving clause** often keeps a country's right to tax its own citizens or residents, with certain exceptions. The Social Security rule may be one of those exceptions. The IRA rule may work in a different way. Also, tell regular pension payments apart from lump sums. Never apply one headline about retirement income to every account. [63, 64]

Foreign tax credits can prevent some double taxation. But they are not an automatic refund that works for everyone. What matters includes the type of income, how the treaty splits the taxing rights, timing, and whether the tax was legally owed. If tax was held back by mistake, you

may need to fix it or claim a refund in the country that took it. A credit in the other country may not be enough.

Reporting foreign accounts is a separate obligation

A U.S. person may need to file an FBAR. That is the Report of Foreign Bank and Financial Accounts. It may be needed when the combined highest value of your foreign financial accounts goes over \$10,000 at any time during the calendar year. Rules about having a financial interest or signing authority apply, and so do exceptions. The test is not “\$10,000 in each account.” You file an FBAR with FinCEN, the Treasury’s financial crimes office. You file it separately from your income-tax return. [65]

Form 8938 may also be required for certain foreign financial assets when the thresholds are met. Its thresholds and scope are different from the FBAR. They also change based on your filing status and whether you live abroad. Filing one form does not automatically cover the other. Foreign pensions, investment setups, and business entities may raise more reporting questions. [66]

Case: Several small accounts cross a reporting threshold

Say a U.S. person has reportable foreign accounts. Their combined highest value goes over \$10,000 during the year. But no single account goes over \$10,000. The person must look at the FBAR requirement based on the combined total. A second review decides whether Form 8938 or other reporting is also needed. Even if the account is not taxed locally, it is not invisible for U.S. reporting.

Your next action: Use [Worksheet 11](#) to sort each source of income and each financial account. Get a written cross-border tax plan for the year you move and for your first full year abroad. Ask which conclusions depend on citizenship, treaty residence, elections (choices you make), or the way you take a withdrawal.

Three Country Examples: India, Canada, and the United Kingdom

A country profile helps only when it makes the differences clearer. A short chapter can't take the place of immigration advice. It can't replace a local tax return or an insurance contract either.

The profiles below focus on U.S. Social Security. They also cover the most important differences that come up when you cross a border. They do not promise that every reader can get the right to live there. They do not promise you can join a public health system. And they do not promise everyone gets the same tax treatment. The legal and official sources were checked for this edition. Check them again for your own move and tax year.

India: getting paid and paying tax are two different questions

Benefits and work credits. India does not have a totalization agreement with the U.S. right now. A totalization agreement is a deal between two countries that lets work in both countries count toward a benefit. Because there is no such deal, work in India alone does not fill in missing U.S. credits. But Indian citizens who qualify can keep getting paid while living abroad. That's because of exceptions in the SSA rules. These two ideas don't clash. One is about the right to a benefit by adding work records together. The other is about getting paid a benefit you have already earned. [13, 54]

Say an Indian citizen gets a benefit on their own work record. The payment exception looks at two things. Does the worker have 40 U.S. credits? Or have they lived in the U.S. for 10 years? A family member or survivor may also need to prove they lived in the U.S. for the required time. That time must fall during the family relationship that matters, unless an exception applies. Save the proof for each person. Don't just keep the worker's latest benefit statement. [54]

Tax treatment. Look at Article 20(2) of the U.S.-India income tax treaty. Under it, covered Social Security payments are usually taxed only by the country that pays them. The Treasury's technical explanation also says this rule is an exception to the treaty's "saving clause." (The saving clause is the part that lets the U.S. keep taxing its own citizens as if the treaty didn't exist.) Take a case that qualifies under the treaty, where U.S. Social Security goes to someone living in India. The treaty gives the right to tax it to the United States, not India. [63]

That does not make the benefit tax-free in the United States. Two different sets of tax rules exist. One covers U.S. citizens and resident aliens. The other is the tax held back from payments to nonresident aliens. SSA's treaty table shows that India is not usually exempt from the standard tax held back for nonresident aliens on regular U.S. Social Security. A government-service pension or another special type of payment may get a different result. Don't assume that result also applies to regular retirement benefits. [62]

Other retirement assets. Don't apply Article 20(2) to everything. That includes an IRA, an annuity, an EPF-related payment, an insurance deal, or a lump sum. The treaty treats different types of payments in different ways. Each country's own laws may also require choices or reports. Ask your tax preparer to name the exact account or product. Then ask them to name the exact treaty rule that applies. [63]

A practical India file

Take Suresh and Lakshmi, a made-up household. Their file should hold the SSA payment check result for each of them. It should hold proof of work and proof of family time in the U.S. It should include immigration advice about their green cards. It should include a review of where they count as tax residents. And it should treat Social Security separately from their other assets. It also needs the real terms of their health insurance. And it needs a direct-deposit setup they have tested.

Their open question should be exact. Don't ask, "Will India tax my retirement?" Ask this instead: "Given our citizenship and where we live under the treaty, how is each payment on our list treated? And what must we report, even when it's not taxed?"

Canada: a treaty rule is not the usual U.S. formula

Benefits and work credits. The U.S.-Canada agreement can help some workers who worked in both countries. It can help those who qualify get benefits. Each country figures and pays its own benefit separately. Your U.S. Social Security choice should be planned together with your Canadian program choices. But one should not take the place of the other. [13]

Tax treatment. Under the treaty, U.S. Social Security paid to someone who qualifies as living in Canada is usually taxed only in Canada. CRA (the Canada Revenue Agency) tells people to report the benefit in Canadian dollars. That includes Medicare premiums taken out for them. CRA usually allows a deduction equal to 15% of the U.S. Social Security benefit you report. That often leaves 85% counted for Canadian income tax. Some long-standing cases from before 1996 are treated differently. [67, 68]

This is not the U.S. "combined income" threshold math from [Chapter 10](#). The same number, 85%, shows up in both places. But it comes from a different set of rules. Confirm the treaty treatment with the agencies in charge and your preparer. Don't assume the tax the U.S. holds back will

sort itself out. If you are a U.S. citizen, you may still have other U.S. filing duties. That's true even when the treaty gives this income to Canada to tax. [62, 67]

Case: Convert the full benefit, then use the right rule

Say a person who qualifies as living in Canada gets US\$24,000 in gross (before anything is taken out) U.S. Social Security for the year. Just as an example, an accepted way of converting the money gives C\$32,400 in Canadian dollars. A 15% deduction would be C\$4,860. That leaves C\$27,540 counted in this simple example. That is not the final Canadian tax. The final tax depends on the whole return.

The exchange rate here is made up. It is not a current rate. It is also not a rule about the right way to convert for tax. The preparer should write down the actual method they used.

Roth accounts need attention ahead of time. CRA's guidance on Roth IRAs explains treaty choices. It also explains what happens if you make certain deposits after you start living in Canada. The name on a U.S. account does not, by itself, promise tax-free treatment in Canada. Review the account and any planned moves of money before you move or convert. [69]

Health and paperwork. Confirm that you qualify for your province or territory's health plan. Also confirm any short-term coverage you'll need while you wait. Medicare usually does not pay for routine care in Canada just because the two countries share a border. SSA's direct-deposit setup for Canada may let you choose payment in Canadian dollars or U.S. dollars. Talk with your bank and think about your spending before you choose. [52, 61]

United Kingdom: keep Social Security apart from other pensions

Benefits and work credits. The United States and the United Kingdom have an agreement in force. It can help some workers who worked in

both countries and qualify. It also sorts out which country's system covers certain work. U.S. Social Security and the UK State Pension stay separate benefits. Each has its own math and its own choices about when to claim. [13]

Tax treatment. Look at Article 17(3) of the current U.S.-UK treaty. It gives the right to tax covered Social Security to the country where the person lives under the treaty. So U.S. Social Security paid to someone who qualifies as living in the UK under the treaty is usually taxed only in the UK. Article 1(5) keeps this rule as an exception to the saving clause. Confirm where you count as living and what you must report with a preparer who handles cross-border taxes. [64]

The treaty handles other pensions in separate rules. That includes certain pension amounts that aren't taxed, lump sums, and annuities. A good answer about Social Security should not be stretched to cover other things on its own. That includes a large IRA withdrawal or a new account deal. [64]

Case: The planned lump sum needs its own review

Say Ellen is getting ready to move to the UK. Her adviser confirms the treaty treatment for her U.S. Social Security. Ellen also plans to take a large one-time payout from a U.S. retirement account. She wants it to buy a home. She should not guess how the payout is treated from the Social Security answer. Before she takes the money out, the payout needs its own sorting. It must be checked under the treaty's pension or lump-sum rules. It must also be checked under both countries' own laws.

Health and paperwork. Find out what UK health services you actually have a right to. Also find out if you need private or short-term coverage. Keeping Medicare may help with future care in the U.S. But it does not, by itself, give you the right to UK health care. Keep records that meet the reporting rules of both countries. And find out which benefits office serves the place where you live. [52, 33]

Use the same method for any other country

Maybe you're moving to Mexico, Portugal, the Philippines, or somewhere else. Start with the same five-question framework. Don't rely on a general ranking of "expat-friendly" countries. Mexico and Portugal show why. Both can be places where U.S. benefit holders who qualify can live. But their totalization status is different. Then the tax and residence review needs its own source for that country. [54, 13]

Use [Worksheet 9](#) for the five-question country profile. Use [Worksheet 11](#) to sort your income. Put a date on each answer, and write down the rule or source behind it. If an important answer has no rule to back it up, ask for an explanation.

Your next action: Build your country profile. Check any guesses that affect your income, health coverage, or legal status. Label your open questions before you commit to anything.

Seasonal Living and the Return-Home Plan

A six-month stay abroad may feel short to you. But it can still matter a lot to an agency, a tax office, a health plan, or an insurer. Seasonal retirement works best when you treat travel as a schedule to plan. It is not an automatic pass around the rules.

The right question is not, “How many months can I be away?” It is, “Which rules count which days for each person in this household?”

Keep five calendars side by side

Social Security’s calendar is about whether you can get paid. For some noncitizens without an exception, it is also about the 30-day rule and the full-calendar-month rule. **Immigration’s calendar** is about entering a country, permission to stay, and keeping your status. **Tax calendars** are about each country’s rules on residence and reporting. **Health plan calendars** are about signing up, service areas, trip limits, and coverage with no gaps. **Paperwork calendars** are about passports, residence papers, forms you must answer, tax filings, and bank checks. [54, 57, 59, 53]

No single 183-day rule safely settles all five. Some rules look at your ties to a place, why you’re there, past years, or a different tax year. A stay under one limit can still go over another. Write down the days you arrive and leave. Keep the proof of those dates. Note why you traveled and any change in the plan.

A seasonal budget has two homes

List the costs that keep going while you’re away. These include housing, taxes, insurance, storage, Medicare or other health premiums, phone ser-

vice, and travel back. Then add the costs in the new place: rent, utilities, medical coverage, travel, and the cost of changing money. Spending like a tourist and spending like a resident can be very different. The gap can go either way.

Set aside a return fund. A death, an illness, a visa problem, a family duty, or a change in safety can make your planned travel date meaningless.

The return fund is not vacation money. Its job is to keep your choices open when the plan changes.

Case: The trip runs longer than planned

Say a couple plans a four-month stay abroad. Then a relative gets sick, and they want to stay three more months. One spouse is a U.S. citizen. The other is not. The longer stay should start a fresh review for each person. Check payment eligibility, immigration status, tax residence, and how long the health policy lasts.

Reviewing the first plan doesn't mean the new plan has been reviewed. A travel policy may run out before the longer stay ends. A noncitizen's exception may protect Social Security payments, but not immigration status. A health plan at home may have service-area rules that have nothing to do with SSA's rules. [54, 57, 53]

Don't mix up a mailing address with your legal home

You may be able to use a trusted person's address to get mail, where that's allowed. But that doesn't always make it your legal home. Your legal home is called your "domicile." A mailing address doesn't always set your state domicile, your health plan residence, or your tax residence. It also doesn't always give you the right to keep a financial account. Give each place the facts its rules ask for. Keeping a driver's license or being registered to vote does not replace an honest, full review of where you live.

Ask a lawyer or tax adviser how your real living setup affects your state and foreign duties. Keep their answer in your move file. Stay away from plans that depend on hiding where you live.

Get ready to return before you need to

A return plan should answer four questions. Where would you stay? How would you get to your money? Which health coverage would be in effect? Who would you contact to restart or update your benefits? If you dropped Part B, you need to check your sign-up options before you count on coverage right away. A permanent return, or a move to a new service area, may open a chance to sign up for a plan. But you must confirm the timing and the conditions. [20, 53]

Also review the foreign side. Decide whether to close or keep accounts. End your lease. Report that you've moved. File taxes for the year you leave. Keep any required insurance until your travel is done. Leaving a country does not wipe out your filing duties there. It also does not automatically undo choices you made in the past.

Plan the family handoff

Travel makes things harder when only one spouse knows the passwords, the insurance contacts, and where the monthly income comes from. Share a secure list of what you have. Don't share an unprotected list of passwords. Explain which payments belong to each person. Explain what happens after a death. And show where the official letters are kept.

Sometimes a person can no longer handle their own benefits. Then a helper may need to use SSA's representative payee process. A representative payee is a person SSA approves to receive and manage benefits for someone else. A financial power of attorney is not the same thing. [Chapter 18](#) explains the difference. [70]

Your next action: Fill out [Worksheet 10](#) before you book a long stay. Update it any time your dates change. Add a return-home plan to [Worksheet 12](#). Make sure at least one other person can find the plan and understands its first three steps.

Coordinate Social Security With the Rest of Your Money

Social Security doesn't have to fix every retirement problem. Its job in your plan is to pay a monthly benefit you qualify for under the program's rules. Your other money can do other jobs. It can give you flexibility, emergency cash, extra income, growth, or something to leave behind.

A good plan hands out those jobs on purpose. It doesn't make every reader buy the same product or use the same account first. Two households can get the exact same Social Security benefits. They can still sensibly choose different setups. That's because their costs, savings, health, pensions, and wishes are different.

Start with the bills you must pay, not a product

List the bills you must pay in a normal month. These include housing, food, utilities, insurance, transportation, and health care. Add bills that must be paid but don't come every month. To do this, divide their yearly cost by 12. Then find the costs that could go up a lot. Examples are home repairs, long-term care, or travel between countries.

Compare these costs with the **net** income you can count on. Net income is what you have left after taxes and other costs come out. A pension that doesn't rise with inflation is not the same as a benefit with cost-of-living adjustments (COLAs). A COLA is a yearly raise to keep up with rising prices. An annuity payment is only as dependable as its contract terms. It also depends on whether the insurer can keep its promises. And the

full rent from a rental property is not money you can spend. Repairs, empty months, and other costs come out first.

A good result today does not prove the plan will work forever. Run the numbers again for after the first spouse dies. Run them again with higher costs too. [Worksheet 4](#) is built for both versions.

A bridge to claiming later is a spending plan

You can use savings to delay Social Security. That can raise your later monthly retirement benefit. Sometimes it raises the survivor benefit too. But a bridge is not just eight years times the benefit you put off. You need to know a few things. What is the household's real spending gap in each year? What are the taxes on withdrawals? How much will be left in reserve after? And what happens if work or health changes? [22, 26]

Case: A four-year bridge with clear assumptions

Say a household wants to delay one benefit for four years. In the first year, its spending gap is \$24,000 after other income. For this example, the gap grows 3% each year. The household takes money from an account that is fully pretax. It assumes a flat 15% effective tax on those bridge withdrawals. This is a simple assumption, not a tax forecast.

Bridge year	Spending gap after tax	Example withdrawal before tax
1	\$24,000	\$28,235
2	\$24,720	\$29,082
3	\$25,462	\$29,955
4	\$26,225	\$30,853
Total, rounded	\$100,407	\$118,126

The totals were figured before rounding. So the rows shown can be off by \$1. Each withdrawal before tax equals the spending gap divided by 0.85. This example assumes the investments earn nothing. It also leaves out emergency money set aside on its own. Even so, it's more useful than

calling the bridge “\$96,000” and ignoring inflation and tax. A real plan would model how the account grows, how taxes interact, timing, and what’s uncertain. It would not assume one fixed tax rate.

Say the household has \$150,000 set aside for this purpose. The example leaves about \$31,874, before any other changes. Is that enough? It depends on the rest of their assets, their health costs, and what could go wrong. The worksheet can bring the question to light. It cannot declare the answer safe.

Compare ways to fill the gap

Cash and insured deposits let you get to your money right away or on a set schedule. They can work as a reserve or a short bridge. FDIC insurance covers deposits that qualify, within its limits and ownership rules. It does not cover every product sold at a bank. Annuities and mutual funds are not FDIC-insured deposits. Cash also faces inflation. And when it comes due, you may have to put it back to work at a lower rate. [71]

Treasury securities timed to your spending dates can support a planned series of withdrawals. Treasury Inflation-Protected Securities, or TIPS, raise their principal (the amount you put in) with inflation. They also give you the stated protection when they mature (come due). If you sell before they mature, you may get a different result than if you hold them. A bond ladder is a set of bonds that come due one after another. It has an end date. It is not automatically a promise of income for life. [72]

A diversified investment portfolio spreads your money across many investments. It can give you flexibility and room to grow. But it comes with market risk, costs, and ongoing management. Taking money out during a drop can leave you with less to recover when the market comes back. A well-known percentage rule is a starting point for the math. It doesn’t promise the money will last. The mix and how much you take

out should fit how long the money must last. They should also fit how well the household can handle losses. [73]

A pension or lifetime income annuity can lower the risk of outliving the income tied to it. That protection may mean giving up access to your money. Or it may mean taking a lower starting income to get a joint-life, refund, or inflation feature. Confirm the exact promise. Don't rely on the type of product alone. [10, 74]

You can combine these choices. The right question is not "Which one wins?" Ask instead, "Which mix pays for the jobs that must get done without creating a weakness I can't accept somewhere else?"

Know what an annuity promises

An immediate income annuity can start paying soon after you buy it. A deferred income annuity starts paying on a later date set in the contract. Payments may last for a set period or for life, based on the option you pick. A life-only plan can stop at death without paying back the premium you haven't used up. A refund or period-certain feature changes that tradeoff. With joint-life terms, pay close attention to what keeps paying after either person dies. [74]

Some fixed or fixed indexed deferred annuities offer an add-on for lifetime withdrawals. This add-on is called a rider. The **income benefit base** is the number used to figure a rider payment. It may not be cash you can take out all at once. A rider's growth percentage is not always the interest rate earned on the account value you can actually reach. [74]

A fixed indexed annuity has a floor in how it credits index gains. But that doesn't mean every part of the contract can never go down. Withdrawals, rider charges, and surrender charges can lower the value you can reach. So can market-value adjustments, where they apply, and other terms. Caps, participation rates, and crediting formulas limit how much of the index's gains turn into interest for you. Whether the insurer can pay its claims still matters. [10, 74]

Case: Two numbers with different jobs

Say an illustration shows an account value of \$200,000. It also shows an income benefit base of \$260,000. The bigger number may only be used to figure a withdrawal benefit set by the contract. It is not always \$260,000 you could take out in an emergency. It is not always \$260,000 paid to your heirs either.

Before you buy, ask the professional to show you several things. Ask for the surrender value and the death benefit. Ask for the yearly rider cost and the income under each choice. And ask what happens if you take out more than allowed. A clear answer is worth more than a big number in a highlighted box.

Questions to answer before you commit money

Ask what is guaranteed, who guarantees it, and under what conditions. Find out how much you can take out without a surrender charge. Find out how long the surrender period lasts. Ask about any market-value adjustment and ongoing costs. Ask whether a withdrawal lowers future guarantees. Compare single-life and joint-life income using the same assumptions. Look at how inflation affects you and what happens at death.

Ask about other options, how the professional is paid, and what happens if you move abroad. Check that the professional has the license or registration for the service they're providing. Check that the insurer is approved to do business. Review the contract during the free-look period that applies. This is a short window when you can cancel. Don't move emergency money or replace a contract you already have without knowing what will happen. [10]

An annuity inside an IRA does not add a second layer of tax delay beyond the IRA itself. Any reason to own it must come from its insurance or income features. It should not come from a claim that the same tax benefit gets added twice. [74]

Life insurance: start with the need for protection

Life insurance can help replace income, pay debts, support someone who depends on you, or leave a planned gift after death. Some households need it in retirement. Others may already have enough money. Term and permanent insurance fit different lengths of time and budgets. The first question is who would need money after a death, and how much. It's not which policy shows the most attractive projection. [75]

Permanent policies can build cash value. But they have costs and need regular checkups. Loans charge interest. They lower the values you can reach or the death benefit. They can also raise the risk that the policy ends. Taxes depend on the contract and on what you do with it. Cashing in a policy, or letting a heavily borrowed policy end, can create taxable income. Modified endowment contracts follow different rules for taking money out. Don't treat "tax-free access" as having no conditions. [75, 76, 77]

A cash-value policy is not a must-have third retirement account for every family. And a new policy can't step right in as your emergency fund. Review any policy you already have before you replace it. Get an in-force illustration. That shows how your current policy is likely to perform from here. Find out which values are guaranteed and which are not. And test whether you can keep paying the premiums. [75]

Keep a full list of tax types

A good list includes pretax retirement accounts, Roth accounts, regular after-tax savings and investments, and insurance contracts if they apply. Each is taxed differently. Withdrawals from traditional accounts may be taxed. Qualified Roth withdrawals may be tax-free under U.S. rules. Selling from a taxable account involves your basis (what you paid) and your gain. Insurance follows its own rules. None of these labels automatically decides how another country treats the money. [39, 37, 76, 69]

A rollover is also a choice, not something retirement forces on you. Compare staying in a former employer's plan with the other setups open to you. Think about costs, services, withdrawal features, and legal protections. Also think about any guarantees or benefits you could lose. Have the professional explain the tradeoffs before you start a transfer.

Finish with three stress tests

Test what happens after a first death. Test costs that grow faster than you expected. And test a sudden need for cash. Households with ties to more than one country should test two more. Test a bad exchange rate and an early return to the U.S.

A good average-return projection can't make up for a plan that fails a normal life event.

Your next action: Fill out [Worksheets 4](#) and 5 first. Compare offers on [Worksheet 13](#) using the same assumptions. Name both the benefit and what you give up.

CHAPTER 18

Keep the Plan Current and Make It Usable by Your Family

A retirement plan is not done when the first payment comes. It becomes part of your household's routine. The best plan is one people can keep up, find, and understand. That matters most when the person who made it is tired, traveling, sick, or away.

You do not need a huge binder full of papers nobody reads. You need a short summary of how things work. You also need safe access to the proof behind it.

Give the year a rhythm

In January, check four numbers against each other. These are your new gross benefit (the amount before anything is taken out), your Medicare deductions, your tax withholding, and your net deposit (what actually lands in your bank). Update your household budget. Update your estimate of how much you will work this year. Don't assume last year's earnings record is complete yet. Employers and tax filings take time to be processed.

At tax time, match up your SSA-1099 or SSA-1042S information. These are the yearly forms that show the Social Security benefits you were paid. Also match up withdrawals from accounts, tax withholding, and any foreign reporting that applies to you. Review the withdrawals you plan to take. Check for any income-related Medicare adjustment. In the middle of the year, compare your real spending, work, and travel with your plan. Change course while there is still time.

In the fall, review your Medicare plan notices and coverage during the enrollment period that applies to you. The general yearly Medicare plan review window runs from October 15 through December 7. Changes you make then take effect January 1. This window does not replace the separate enrollment rules for Part B or Medigap (private insurance that helps pay costs Original Medicare doesn't cover). Review year-end tax steps and required withdrawals before the last weeks of December. [78, 39]

Worksheet 14 turns this rhythm into a calendar. Big life events should start a review right away. Don't wait for the yearly check-up.

Events that change more than one part of the plan

A spouse's death can change your right to a benefit. It can also change household spending, tax filing, insurance, and who owns accounts. Going back to work can change the earnings test and your tax estimate. The earnings test is the rule that can hold back some benefits if you work and earn above a limit before full retirement age. A divorce or a new marriage can change who qualifies. A move abroad can change payment rules, where you pay taxes, health coverage, and access to banking. A serious illness can make cash you can reach quickly more valuable. It can also change your ability to manage your benefits. [7, 5, 6, 54]

When an event happens, reopen the worksheet that fits it. Write down what changed. Keep the old version. A dated history helps you tell two things apart. One is an old decision that made sense at the time. The other is a current decision that no longer fits.

Power of attorney is not the same as a representative payee

These four roles do different jobs:

- A financial power of attorney (a legal paper letting someone handle your money matters)
- A health-care document

- An authorized representative in a benefits matter
- A representative payee appointed by SSA (a person SSA chooses to receive and manage benefits for someone who can't)

Having a power of attorney does not by itself let someone manage another person's Social Security benefits as a payee. Sharing a bank account doesn't either. SSA must appoint the payee when that role is needed. [70]

A representative payee must use the benefits for the beneficiary's needs. The beneficiary is the person the benefits belong to. The payee must keep proper records and report important changes. They must follow SSA's rules. The role does not give them power over every asset or every medical choice. Use it alongside proper legal planning. Don't use it in place of that planning.

SSA has an advance designation process. It lets an eligible person name up to three people. SSA would consider them as a future representative payee. This is not an appointment right now. It does not hand over control of benefits today. But it can make your future wishes easier to understand. [79]

Case: A daughter has the legal papers but not the SSA role

Say Elaine becomes unable to manage her benefits. Her daughter has a valid financial power of attorney. She can help with many money matters. But that paper alone does not make her Social Security's appointed payee. So she contacts SSA and explains what's going on. She follows the payee application process. She does not sign into Elaine's account and pretend to be her.

The family also checks health-care authority, bills, and other accounts one by one. One document or one appointment rarely covers all of those needs.

Create a one-page family handoff

Write down where benefits are deposited. Note which payments belong to each person. List the current net amounts and the next important deadlines. Note where to find award notices, marriage and divorce records, insurance policies, estate papers, and tax records. Include contacts for professionals and agencies that you have checked are real.

Don't write full Social Security numbers, account passwords, or account recovery codes on this page. It might get left on a kitchen counter. Keep sensitive details stored safely. Tell the right person how legal access has been set up. [Worksheet 12](#) is an index to the plan. It is not a safe for every password.

Explain the first steps to take after a death:

- Make sure SSA has been told.
- Find out which payments must be returned.
- Ask about survivor benefits and the best order for claiming them.
- Don't spend deposits that may be in question.

A funeral home's report to SSA does not settle every benefit decision. [5]

Make scams less urgent

Scams often create false urgency. They may threaten arrest. They may say your Social Security number is suspended. They may offer a surprise prize. Or they may tell you to move money to a so-called safe account. SSA warns that it will not demand payment by gift card, cryptocurrency, wire transfer, or cash the way scammers do. It also will not threaten to arrest you right away for refusing such demands. Caller ID and official-looking papers can be faked. [80]

Pause. End the contact you didn't ask for. Reach the agency using contact information you looked up yourself. Don't trust the caller's link or call-back number as proof. Save the message. Report suspected fraud

through the official channel. If your financial information or money was exposed, contact your bank or financial company quickly. Then follow the right steps to protect your identity.

A simple family rule helps: no big money transfer just because a surprise caller says it must happen now. A real problem can be checked.

Choose help by the job, not the title

SSA decides who has the right to a benefit and what gets paid. A tax professional handles tax returns and tax planning within what they know. An immigration lawyer handles immigration status and entry into a country. A Medicare counselor or a properly licensed professional can help with coverage. An attorney handles legal documents. Investment and insurance advice requires the right qualifications. It also requires a clear explanation of the services and how the person is paid.

Ask what the professional will give you. Ask what they are not looking at. Ask whether you need another specialist. A confident answer from outside someone's field is worth less than a clear referral. Pay from selling a product should be shared openly and understood. But that pay is not proof that the advice is good. It is not proof that it is bad, either.

The final page of your plan

Write three sentences: "This is the claiming choice we made and why. These are the assumptions that would cause us to reconsider. This is the next action and the person responsible."

Then add a review date. A plan you can explain in everyday words is easier to keep up. It is also easier to hand to someone who loves you.

Your next action: Complete [Worksheets 12](#) and 14. Then set up a household review. The goal is not to predict every change. It is to make sure changes get noticed. And it is to make sure someone knows what to do next.

KEEP THE PLAN CURRENT AND MAKE IT USABLE BY YOUR FAMILY

APPENDIX A

Your 2026 Reference Desk

Use these figures to understand the examples in this edition. They do not replace your own benefit estimate, tax calculation, or plan notice. The reference date is October 5, 2026. Amounts marked 2026 apply to that calendar year or benefit year. Check the current official source before you use them in another year.

Social Security figures

Some terms in this table:

- **COLA** (cost-of-living adjustment) is the yearly raise in benefits to keep up with prices.
- **FRA** (full retirement age) is the age when you can get your full, unreduced benefit.
- The **earnings test** can hold back some benefits if you work and earn over a limit before FRA.
- **PIA** (primary insurance amount) is your basic benefit at FRA. **Bend points** are the dollar cutoffs in the formula used to figure it.

Item	2026 figure and meaning
Cost-of-living adjustment	2.8% for benefits payable in 2026. Your net deposit may change by a different amount.
Covered earnings for one credit	\$1,890; no more than four credits in a year.
Earnings for all four credits	\$7,560 of covered earnings. This is not a minimum annual benefit.
Social Security taxable maximum	\$184,500 of earnings. This is not the Medicare payroll-tax limit.

Item	2026 figure and meaning
Retirement earnings test: below FRA all year	\$24,480; \$1 withheld for each \$2 above the limit.
Earnings test: year FRA is reached	\$65,160; \$1 withheld for each \$3 above the limit, counting earnings before the FRA month.
Special first-year monthly earnings amounts	\$2,040, or \$5,430 in the year FRA is reached. Other monthly-rule conditions apply.
PIA formula bend points	\$1,286 and \$7,749 for workers first eligible in 2026. Not the bend points for everyone claiming in 2026.

Sources: SSA’s 2026 fact sheet, benefit formula, and explanation of the monthly earnings test. [9, 14, 31]

SSA has published examples of the highest possible starting benefits in 2026. They are \$4,152 at full retirement age and \$5,181 at age 70. These assume the person earned the maximum amount every year. These are different groups of people claiming. They are not two estimates for the same person. Don’t multiply one by an age factor to get the other. Your own dated statement is the right place to start. [81]

The estimated average retired-worker benefit for January 2026, after the COLA, was \$2,071. An average is not a promise of a benefit. It is not a suggested retirement budget, either. [9]

Medicare figures

IRMAA (income-related monthly adjustment amount) is an extra charge added to Medicare premiums for people with higher incomes.

Item	2026 amount or rule
Standard Part B monthly premium	\$202.90; higher-income beneficiaries may pay more.
Part B annual deductible	\$283.

Item	2026 amount or rule
Part A inpatient hospital deductible	\$1,736 per benefit period, not a single annual deductible.
Part D out-of-pocket limit	\$2,100 for covered Part D drugs; premiums and noncovered drugs are not included in this limit.
Starting income thresholds for Part B IRMAA	Above \$109,000 for an individual return or \$218,000 for married filing jointly; different rules can apply to married filing separately.

Sources: CMS premium announcement and 2026 Part D redesign instructions. The income check usually uses tax data from two years earlier. There are procedures for certain life-changing events. [40, 49, 41]

A low premium does not mean a plan is the best one. Compare your medicines, pharmacies, doctors, network, travel needs, and total expected costs. Check the deductibles and cost sharing in the actual plan. Don't rely only on a general Medicare table.

Tax and retirement-saving reminders

Federal “combined income” thresholds help decide how much of your Social Security is taxed. For most single filers, they are \$25,000 and \$34,000. For married couples filing jointly, they are \$32,000 and \$44,000. These are not the income-tax brackets. Married filing separately needs special care. [37]

For tax years 2025 through 2028, there is an enhanced senior deduction. It can be up to \$6,000 for each eligible person age 65 or older. It starts to shrink (phase out) above modified adjusted gross income of \$75,000, or \$150,000 on a joint return. Rules about who qualifies, ID, filing status, and phaseouts all matter. This deduction does not cancel the rules that tax Social Security. [38]

A **catch-up** contribution is an extra amount older savers are allowed to put in on top of the normal limit.

Retirement-saving item	2026 limit
Employee elective deferrals to most 401(k), 403(b), governmental 457 plans, and the TSP	\$24,500, subject to the plan's rules.
Regular age-50-or-older catch-up in applicable plans	\$8,000.
Higher catch-up for ages 60 through 63 in applicable plans	\$11,250 instead of the regular \$8,000 catch-up, not in addition to it.
Combined traditional and Roth IRA annual contribution	\$7,500, subject to compensation and eligibility rules.
IRA age-50-or-older catch-up	\$1,100.

These are limits on how much you can put in. They are not automatic tax deductions. They don't promise you qualify. Roth income limits, workplace plan coverage, your pay, and special catch-up rules can change how a limit applies to you. Ask your plan administrator how catch-up contributions must be taxed. [82]

Required minimum distributions (RMDs) are withdrawals the law makes you start taking from certain accounts. They have their own rules based on birth year and account type. For example, the starting age is 75 for people born in 1960 or later. That does not let you ignore the separate deadline for an inherited account. Roth accounts and employer plans also have their own rules. Use current IRS guidance and your plan administrator's instructions. [39, 44]

International agreements: a directory, not a shortcut

A U.S. Social Security agreement (also called a totalization agreement) is a deal between the U.S. and another country about Social Security coverage and benefits. As of this edition's research date, the SSA directory lists 30 agreements in force. They are with Australia, Austria, Belgium, Brazil, Canada, Chile, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, South Korea, Luxembourg,

the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, the United Kingdom, and Uruguay. India and Mexico are not on that in-force list. [13]

An agreement may help coordinate work covered in both countries. It may help you qualify for a partial benefit. But it does not, by itself, answer your questions about income tax, immigration, Medicare, or benefits for family members. An income-tax treaty and a Social Security coverage agreement are two separate documents.

To check a move, start with SSA's Payments Abroad Screening Tool. Then read the detailed payments-abroad booklet. Then contact the Federal Benefits Unit that serves the country you're moving to. Check the current list of restricted countries at the same time. Write the date and the result in [Worksheet 9](#). Don't trust an old country list from an online discussion group. [56, 54, 33]

Find the right official doorway

Benefits, estimates, and your earnings record: Social Security Administration. Start at ssa.gov. Then go to the benefit or my Social Security service you need. [15, 32]

Payment overseas or an international claim: SSA's international office and its Federal Benefits Unit directory. The office that serves you may be in a different country from where you are moving. [33]

Medicare enrollment, coverage, and comparing plans: [Medicare.gov](https://medicare.gov). A State Health Insurance Assistance Program can give free, unbiased advice about coverage. [46, 78]

Federal tax reporting: [IRS.gov](https://irs.gov). Use the current publication on how Social Security is taxed. Also use the international treaty that applies and any instructions for nonresident returns. [37, 62]

Immigration status: USCIS and a properly qualified immigration attorney. SSA being able to pay you a benefit does not give you a right to enter or live in a country. [57]

Type official web addresses yourself when you handle sensitive information. A paid ad, a message you didn't ask for, or a professional-looking logo is not proof that a service is the government.

APPENDIX B

Fourteen Planning Worksheets

These worksheets turn the chapters into a planning file. Each one has a filled-in example. The people in the examples are made up. After each example comes a blank page for your own record. Fill in only the worksheets that fit the decision you face right now. You can add others later as your life changes.

Use your most recent notices and estimates. Write the date next to what you record. If a question has no answer yet, mark it as “unresolved.” Don’t fill the gap with a guess. A worksheet is a record of how you thought it through and what you checked. It is not an application for benefits. It is not a tax return. It is not an approval from the government.

- | | |
|---|---|
| 1. My Benefit Profile | 8. My Medicare and Health-Coverage Calendar |
| 2. My Claiming Decision | |
| 3. Our Household and Survivor Plan | 9. My Five-Question Country Profile |
| 4. My Spendable Income and Essential Budget | 10. My Travel Days and Five Calendars |
| 5. My Year-by-Year Bridge | 11. My Cross-Border Income and Tax Map |
| 6. My Application and Award Check | 12. Our Family and Caregiver Handoff |
| 7. My Contact, Reporting, and Problem Log | 13. My Professional and Product Comparison |
| | 14. My Annual Review and One-Page Plan |

Keep in mind: Protect your privacy. Write initials and where your documents are kept. Do not write full ID numbers, passwords, or complete account details. Keep your filled-in pages in a safe place. You may copy the blank worksheets for your own personal use.

My Benefit Profile

Use with *Chapters 1–3*.

Put the facts that decide your benefit in one place. Fill out a separate profile for each adult. Living at the same address does not mean the same rules apply to both of you.

Use a current earnings record and estimate from SSA (the Social Security Administration). Write down three things: the date, what you assumed about your future earnings, and whether the numbers are in today’s dollars or future dollars. Check both your full retirement age for retirement benefits and your full retirement age for survivor benefits, when that matters. Full retirement age (FRA) is the age when you can get your full benefit with no cut for claiming early.

A completed example

Jordan is a made-up worker born in 1964. The sample estimates below use the same earnings record for each age. They leave out future COLAs. A COLA (cost-of-living adjustment) is the yearly raise that helps benefits keep up with prices. These numbers are not a quote from SSA.

What to record	Example entry
Date of birth	May 15, 1964
Full retirement age for retirement benefits	67
U.S. credits / earnings record	40 or more / reviewed
Benefit assumed at full retirement age	\$2,000 a month
Example amounts at age 62 / age 70	\$1,400 / \$2,480
Unresolved item	Does the estimate assume Jordan keeps working?

Jordan has enough credits to qualify for retirement benefits. But Jordan still needs to understand the estimate. If the date Jordan expects to stop working changes, every comparison of claiming ages may change too. An earnings record is proof. A salary you remember is not.

Keep in mind: Do not write full Social Security numbers, account numbers, or passwords here. In a workbook you carry around, write where documents are kept. Don’t put the sensitive originals in it.

My Benefit Profile

Prepared by _____ Date _____

Name or initials, and the date of this profile

Date of birth; citizenship(s)

Full retirement age and month for retirement benefits

Full retirement age for survivor benefits, if it matters

Types of benefits to look into

U.S. credits; any totalization issue (a totalization agreement is a deal between the U.S. and another country that lets work in both count toward benefits)

Date I reviewed my earnings record; corrections still pending

Date of the estimate, and whether it's in today's or future dollars

Future earnings I assumed / the date I plan to stop working

Benefit at age 62 / at my FRA / at age 70

Any marriage, divorce, survivor, or child issue

Where my documents are kept; facts I still need to confirm

Next check: who will do it, and by when

My Claiming Decision

Use with [Chapters 4 and 8](#).

Compare choices you can really afford. Write down the reason for your decision. Don't just count check marks for and against waiting.

Start with these: the spending you can't skip, savings you can reach, your health, your work, and other household income. Compare at least two start dates that could really work. Ask for estimates that all use the same assumptions about future earnings.

A completed example

Nina is 62. Her estimated early retirement benefit is \$1,400. Each month, she is \$1,200 short on the bills she must pay. She has only \$4,800 left over after her immediate bills. These facts are made up. They make cash flow the first question. A theory about the "break-even" age comes second.

What to record	Example entry
Immediate need	\$1,200 a month
Savings Nina can reach	\$4,800, before any emergencies
Choice A	Claim an early benefit she qualifies for
Choice B	Wait only if she has proven income to replace it
Missing information	Whether she could work, and whether she qualifies for help
Reason to look again	New income she can count on, or a big change in health

Her savings alone cover about four months of the shortfall. That is not a bridge that lasts several years. Nina should look into what support is out there. She should also confirm her real benefit before she commits. Starting early can be a well-reasoned choice. It is not a failure to get the "best" number.

Keep in mind: An estimated benefit may not be the amount that lands in your bank account. Subtract any deductions that apply. Allow for the earnings test and for tax. The earnings test is the rule that can hold back some benefits if you work and earn over a set limit before full retirement age. One serious limit can matter more than several things you'd simply prefer.

My Claiming Decision

Prepared by _____ Date _____

Deadline for my decision; earliest start month that could work

Monthly shortfall on must-pay bills before I claim

Savings I can reach, not counting money already set aside for something else

Other income I can count on; changes I expect

Earnings from work, and the year I reach full retirement age for retirement

Choice A: month, benefit before deductions, estimated amount after deductions

Choice B: month, benefit before deductions, estimated amount after deductions

Bridge money needed for each choice

Health / household / dependent concerns

Facts I've checked; assumptions not yet settled

The approach I chose, and why

Changes that would make me rethink it

One thing to finish before I file a claim

Our Household and Survivor Plan

Use with [Chapters 5–7](#).

Look at your household at three points: before both benefits start, while both spouses are alive, and after either one dies. A survivor's budget is not just half of a couple's budget.

Use each person's own benefit estimate and real claiming history. Ask SSA about cuts for claiming early, spousal excess amounts, and limits on survivor benefits. (The spousal excess is the extra amount added on top of a spouse's own benefit, based on the other spouse's record.) If either person could die first, build two survivor cases.

A completed example

Say both spouses have reached the full retirement ages that apply when their benefits start. The higher earner has a \$3,000 PIA. PIA (primary insurance amount) is the benefit a worker gets at full retirement age. This spouse waits until 70 and gets \$3,720. The other spouse has a combined benefit of \$1,500 with no cut. Future COLAs and taxes are left out.

What to record	Example entry
Both alive: monthly benefits before deductions	$\$3,720 + \$1,500 = \$5,220$
Both alive: must-pay spending	\$4,800
Leftover before tax and deductions	\$420
Higher earner dies: assumed survivor benefit	\$3,720
Survivor's must-pay spending	\$3,900
Survivor's gap before tax and deductions	\$180 a month

The survivor gets one combined total. They do not get both full benefits. The example shows a possible gap, even though the couple had money left over. You still need to add in income after deductions, health premiums, tax filing, and the survivor's other resources.

Keep in mind: Don't reuse this survivor amount if the worker who died claimed early, if the survivor claims early, or if other rules about who qualifies are different. Get an SSA estimate for that exact case.

Our Household and Survivor Plan

Prepared by _____ Date _____

Partner A / Partner B, and the dates of their estimates

A: PIA, age A claims own benefit, full retirement age for retirement

B: PIA, age B claims own benefit, full retirement age for retirement

Spousal excess and changes for claiming early

Income before both claims begin

Both alive: monthly benefits before deductions, and other income

Both alive: deductions and estimated income after deductions

Both alive: must-pay spending and gap

If A dies first: B's benefit, income after deductions, expenses, gap

If B dies first: A's benefit, income after deductions, expenses, gap

Benefits for dependents; changes to pensions / insurance

Questions for SSA, and assumptions that need confirming

Protection or spending change needed; who is responsible

My Spendable Income and Essential Budget

Use with [Chapters 10 and 17](#).

Keep three things apart: the benefit amount, the deposit, and the money you can actually spend at the end. Use the same time period for every entry, either monthly or yearly.

Start with income before deductions. Subtract deductions already taken out of your payments. Then allow for any extra tax or premiums you pay some other way. Include must-pay bills that don't come every month. Don't count the same Medicare premium twice.

A completed example

Thomas has a made-up benefit of \$2,600 a month before deductions. Say the 2026 standard Part B premium of \$202.90 is taken out. He also chose to have 10% held back for federal tax, which is \$260. He pays for other coverage separately.

What to record	Example entry
Social Security before deductions	\$2,600.00
Part B deduction	\$202.90
Federal tax held back	\$260.00
Social Security deposit after deductions	\$2,137.10
Other income after deductions, assumed	\$900.00
Must-pay spending, assumed	\$3,200.00
First look at the monthly gap	\$162.90

This result is a first look at the cash-flow gap. It is not a final tax figure. Thomas must check three things. Does the tax held back cover the tax he really owes? Does the budget include his other health premiums? Are there bills that don't come every month, or savings he needs to build up?

Keep in mind: Having money left over one month does not prove you can afford your plan for life. Do this worksheet again after a death, a move, or a big change in a premium.

My Spendable Income and Essential Budget

Prepared by _____ Date _____

Month / year; household version or survivor version

Social Security before deductions: each person

Pension / annuity payments before deductions

Other income, or planned withdrawals from accounts

Medicare and other deductions taken from payments

Tax held back; extra money to set aside for tax

Regular income after all of the above (A)

Housing; utilities; phone and internet

Food; transportation; must-have personal costs

Health premiums and care paid separately

Debt / insurance / must-pay bills that don't come every month, figured per month

Total must-pay spending (B); gap equals B minus A

What to do with extra money, or how to cover the gap; emergency savings kept outside this budget

My Year-by-Year Bridge

Use with [Chapters 4](#) and [17](#).

Test whether your savings can carry you to a later claiming date. Make sure it doesn't use up money you need for other things.

Build the bridge one year at a time. Spell out how much you'll spend, your other income, how withdrawals are taxed, and your emergency savings. Use a real tax estimate. Don't just multiply by a tax rate you assume without checking how things affect each other.

A completed example

The household from [Chapter 17](#) has a \$24,000 gap after tax in the first year. The gap grows 3% each year for four years. All withdrawals come from a pretax account (an account you haven't paid income tax on yet). To keep it simple, the tax on withdrawals is 15%. No investment growth is assumed.

What to record	Example entry
Year 1: gap after tax / withdrawal before tax	\$24,000 / \$28,235
Year 2	\$24,720 / \$29,082
Year 3	\$25,462 / \$29,955
Year 4	\$26,225 / \$30,853
Four-year total before tax, before rounding	\$118,126, rounded
Money set aside for the bridge / left over	\$150,000 / about \$31,874

In this example, the withdrawal before tax equals the gap after tax divided by 0.85. The totals use numbers that weren't rounded. So the rows shown can be off by \$1. The money left over is not automatically enough for emergencies or for the rest of retirement.

Keep in mind: Investment returns, taxes, prices, and benefit timing won't always follow one smooth guess. Run the numbers again with a bigger expense, a loss of work income, and a need for care that comes sooner than planned.

My Year-by-Year Bridge

Prepared by _____ Date _____

Month the bridge starts, and month the benefit starts

Money I can reach that is set aside for the bridge only

Emergency savings / other money already committed, left out

What I assume about spending growth and investment returns

Year 1: spending, other income, gap after tax, withdrawal before tax

Year 2: spending, other income, gap after tax, withdrawal before tax

Year 3: spending, other income, gap after tax, withdrawal before tax

Year 4: spending, other income, gap after tax, withdrawal before tax

Extra years attached; total withdrawals before tax

Money left over; the least I must keep in savings

The later, bigger benefit, and what it means for the household

A tough-case test; what I'll do if I can't afford the bridge

Where my tax estimate came from and its date; next bridge review

My Application and Award Check

Use with [Chapter 9](#).

Make your application match your decision. Then make the award match your application. Save enough proof to fix any mismatch.

Before you apply, write down the type of benefit you want and the month you want it to start. Save the confirmation and copies of the documents you send in. When the award notice comes, compare it with what you asked for. Check the start date, the amount before deductions, the deductions, and the first payment.

A completed example

A made-up applicant picks September as the month the retirement benefit starts. The regular payment for that month is expected in October. The applicant plans around the benefit month. They don't assume the first deposit will arrive in September.

What to record	Example entry
Type of benefit asked for	Retirement on own record
Month asked for benefits to start	September
Month the first regular deposit is expected	October, depending on how SSA processes it
Proof saved	Application confirmation and list of documents
What to check on the award	Start month, amount, deductions, bank
Mismatch not yet settled	Write it down and contact SSA quickly

The start month can be right and the deposit can still surprise you. That can happen if Medicare or tax deductions are different. Check each part. Don't treat the bank deposit as proof that every part of the award is right.

Keep in mind: Other kinds of claims and back payments can have different timing. Protect your right to appeal while you ask questions. A casual phone call is not always a filed appeal.

My Application and Award Check

Prepared by _____ Date _____

Type of benefit; whose record the claim is made on

Start month I'm asking for; why I picked that month

Date I applied, and confirmation number or code

Documents asked for / sent in / still missing

Any spousal, survivor, child, or foreign-work issue I reported

Date on the award notice, and date I got it

Start month awarded; does it match what I asked for?

Monthly amount before deductions, and how SSA explained it

Medicare / tax / other deductions

Date of first payment; amount; bank account checked

Mismatch, and proof that supports fixing it

Deadline; formal action filed; confirmation saved

Where my contact log is kept, and date of next follow-up

My Contact, Reporting, and Problem Log

Use with [Chapters 2, 8–9, and 13](#).

Keep a record you can really use. It helps when you report work, fix your earnings record, answer an overpayment notice, or deal with a missing payment. (An overpayment is when SSA says it paid you more than it should have.)

Start with the exact notice and its deadline. Keep two kinds of requests apart. One is a disagreement about how your benefit was figured. The other is a request for a waiver (asking SSA to let you not pay back the money) or a plan to pay it back. Record formal filings separately from casual conversations.

A completed example

Renee gets an overpayment notice. SSA used an estimate of her work earnings that doesn't match her records. First, she compares the dates and wages. Then she picks the right response. She doesn't assume every overpayment needs the same form.

What to record	Example entry
Issue	Work earnings used to figure the overpayment
Proof	Notice, pay records, confirmation of earlier report
Question to answer	Is SSA's decision right on the facts?
Possible separate question	Do the conditions for a waiver apply?
Action record	Formal filing date, and receipt saved
Follow-up	Put the deadline from the notice on the calendar

A clear timeline can show a wrong earnings period, a missing report, or a mix-up. It also helps a representative see what has already happened. Don't wait for your log to be perfect before you protect a filing deadline.

Keep in mind: Appeals, waivers, repayment plans, and requests to keep getting paid each have different rules. The notice you got and SSA's current instructions matter more than a deadline you remember.

My Contact, Reporting, and Problem Log

Prepared by _____ Date _____

Issue; person getting the benefit; record / notice number (partial only)

Date on the notice; date I got it; deadline given

What SSA says happened

What my records show; amount in question

Proof, and the safe places my documents are kept

Change I reported, when, and how I reported it

Date of contact / office / staff member's ID

Question I asked; answer I got; rule or source they cited

Type of formal request, and date I filed it

Where the receipt or confirmation is kept

Collection / payment status, and next deadline

Whether I need to go higher up or get qualified help

Next action, who is responsible, and by when

My Medicare and Health-Coverage Calendar

Use with [Chapter 11](#).

Put each of these on its own line: when you claim Social Security, when you sign up for Medicare, your job-based health coverage, and your HSA contribution dates. An HSA is a health savings account.

Check which sign-up window applies to you. Find out exactly when each kind of coverage starts and when it ends. Get the details in writing from your employer's plan and from Medicare. Write down your drug coverage and your extra (supplemental) coverage choices on separate lines from Part A and Part B. Part A is Medicare's hospital insurance. Part B is Medicare's medical insurance for doctor visits and outpatient care.

A completed example

Andrea stops working at her job after age 65. She chooses COBRA. COBRA lets you keep your old employer's health plan for a while after the job ends. Here is the mistake Andrea could make. She could think the end of COBRA is what starts her normal job-related Part B special enrollment clock. A special enrollment period is a sign-up window outside the usual one.

What to record	Example entry
Event to write down	Active work and job-based coverage end
Coverage you should not assume counts the same	COBRA or retiree coverage
Part B step	Check the real special enrollment deadline
HSA step	Confirm the last month you can put money in
Medigap step	Check your first sign-up window or other protected rights
Travel step	Find out what covers you outside the United States

What you want at the end is a set of confirmed dates. A single check mark that says "I have insurance" is not enough. Signing up for a plan, getting drug coverage, and being protected from health questions (underwriting) may each need a different decision. Medigap is private insurance that helps pay costs Original Medicare doesn't cover.

Keep in mind: This example is made up. Do not stop HSA contributions or drop coverage based on it alone. Have the plan administrator tell you the exact months and the enrollment rule that applies to you.

My Medicare and Health-Coverage Calendar

Prepared by _____ Date _____

Date of birth; the month you turn 65

Your first sign-up window, or the special window that applies

Type of coverage you have now; whether you are still actively working

Date your job ends; date your coverage ends

Part A: application date and start date; whether it reaches back to earlier months

Part B: deadline, application date, and start date

HSA: last month you can contribute, and who confirmed it

Part D (drug coverage) / creditable drug coverage (coverage at least as good as Medicare's) and a check for gaps

Choice between Original Medicare and Medicare Advantage (a private plan that replaces Original Medicare)

Medigap: your rights, application date, and start date

Coverage in another country; emergency evacuation or plan to get back home

Written confirmations; prescriptions and doctors checked

Gap with no insurance to fix; who is responsible; deadline

My Five-Question Country Profile

Use with *Chapters 12–15*.

Make one profile for each person and each place you might move. A “yes” to one question does not answer the other four. Each question needs its own answer.

Write down each of these on its own: your right to the benefit, getting paid overseas, immigration, tax, and health coverage. Note where each answer came from and the date. Use the country examples in this book as models for what to ask. They are not legal decisions about your own case.

A completed example

Suresh and Lakshmi are a made-up couple. They are Indian citizens thinking about moving away for good. He has enough U.S. work credits. She wants a spousal benefit and has a long history of marriage and living in the U.S. Right now, both have green cards.

What to record	Example entry
Right to the benefit	Check his own claim and her spousal claim separately
Getting paid overseas	Confirm the exceptions and family rules that apply
Immigration	Look at what happens to permanent residence
Tax	Figure out tax residence and how the tax treaty treats it
Health	Get local coverage and a plan to return to the U.S.
Condition before going ahead	Settle all five before making choices you can't undo

They may have a good reason to look into keeping their payments. But that does not prove they keep their green-card status. It does not prove they can get local insurance. It does not tell them the final amount after tax. Each answer needs its own official source.

Keep in mind: A screening result is a place to start. Save it. Write down what you assumed. Get answers in writing for facts that are disputed or unusual. Do not hide a real home in another country behind a mailing address.

My Five-Question Country Profile

Prepared by _____ Date _____

Person / citizenship(s) / where you plan to move / planned move date

Type of benefit; your own record or a family member's

1. Facts about your right to the benefit, and confirmation

1. Payment rule or exception, and confirmation

Proof of family residence, if needed

Date you checked the list of countries where payments are restricted; your serving FBU (Federal Benefits Unit—the office that handles Social Security for people abroad)

1. Immigration status / advice received / what you must do

1. Tax residence / treaty article (the part of the tax treaty that applies) / withholding

1. Local health coverage / start date / what is not covered

Choice about Medicare and coverage if you return to the U.S.

Bank, currency, address, and reporting setup

Open issue to settle before you commit

Confirmations from professionals or agencies, and dates

My Travel Days and Five Calendars

Use with *Chapters 13 and 16*.

Keep track of the travel you actually do. Don't rely on your plan to stay away "only a few months." Different rules can count days in different ways.

Keep a dated travel plan. Keep proof of each time you enter and leave a country. For each calendar, write down the rule that applies and who confirmed it. Check your plan again after an illness, a delayed flight, extra work, or a longer family visit.

A completed example

A made-up noncitizen has no payment exception that applies. This person leaves on January 15 and stays abroad. February through July are six full calendar months. Under this example's assumptions, August is the first month the benefit is stopped (suspended).

What to record	Example entry
Leaving date	January 15
Six full calendar months	February through July
First stopped month in the example	August
Return in the example	September 10
First full calendar month back	October, if all the days and other requirements are met
Other calendars	Immigration, tax, health, paperwork

This example explains a calendar-month rule. It is not an approved travel plan. These are three different tests: the 30-day definition, the six-month payment rule, and the rule that you must be back for a full calendar month. SSA must confirm when your payments actually stop and start again.

Keep in mind: A travel plan that works for Social Security can still fail an immigration, tax, or insurance test. Keep a separate answer for each one. Don't call a trip "safe."

My Travel Days and Five Calendars

Prepared by _____ Date _____

Traveler; citizenship; benefit; exception, if any

Planned leaving date / actual leaving date

Entries into and exits from each country; where the proof is kept

Dates you returned to the U.S.; stays without a break

SSA calendar and the rule you checked

Immigration calendar and the rule you checked

Tax-year calendar(s) and the rule you checked

Health coverage / longest trip allowed / service-area rules

Paperwork deadlines and dates documents expire

Changes from the original travel plan

Who was told; proof kept

Expected return and updated backup plan

Attach a day-by-day log for each trip; date of the next calendar review

My Cross-Border Income and Tax Map

Use with *Chapters 14–15*.

Sort each source of income and each account into its type. One tax treaty answer for Social Security does not settle every other payment you get. A tax treaty is an agreement between two countries about who can tax what.

For each one, list the total (gross) payment, the country it comes from, your tax residence, the type of account, any tax held back (withholding), and the treaty article or home-country rule you looked at. Ask a cross-border tax professional to tell you which returns you must file and how to avoid being taxed twice. Don't assume that relief exists.

A completed example

Say someone who qualifies as a Canadian resident under the treaty gets US\$24,000 in U.S. Social Security. Just for this example, use an exchange rate of 1.35. That turns it into C\$32,400. The usual 15% Canadian deduction is C\$4,860. That leaves C\$27,540 counted as income under this simplified treatment.

What to record	Example entry
Type of income	U.S. Social Security, not an IRA withdrawal
Total after converting	C\$32,400
Example deduction	C\$4,860
Amount after that deduction	C\$27,540
Not figured here	Final Canadian tax or other effects on income
Separate issues	U.S. filing; Roth; reports on foreign accounts

This example does not use the U.S. combined-income limits. It shows why the right country rule and the right income type matter. Some special older cases can be different. How you report the exchange rate needs to be confirmed.

Keep in mind: Tax held back is not always the final tax. Write down your total benefits, including amounts held back for Medicare where required. An account may need to be reported even if it has no taxable income.

My Cross-Border Income and Tax Map

Prepared by _____ Date _____

Person; country where you are a tax resident; tax year

U.S. tax status and any treaty position

Social Security: total amount, amount held back, how the treaty treats it

Pension / IRA / Roth: sort each one on its own

Annuity / insurance / investments: type of each

How you converted currency, and where the rate came from

Tax returns you must file at home and abroad

FBAR review (the U.S. report of foreign bank accounts): all accounts added together, and whether you must file

Form 8938 review (a U.S. tax form for foreign financial assets): the limit that applies, and your conclusion

Credit / exemption / deduction, and proof

Change needed in estimated tax or withholding

Professional's name; date of advice; documents kept

Open tax issue to settle before a withdrawal, conversion, or move

Our Family and Caregiver Handoff

Use with [Chapters 7, 16, and 18](#).

Help the right person find the right information. Do this without putting private passwords or logins in a booklet that isn't locked away.

Use this sheet as a map: where things are and what to do. Keep legal documents and full financial details somewhere secure. Know the difference between these four roles:

- A financial power of attorney (POA) lets someone handle your money matters.
- Medical authority lets someone make health decisions for you.
- An SSA representative is someone who helps you deal with Social Security.
- A representative payee is a person SSA appoints to receive and manage your benefit for you.

A completed example

Elaine's daughter has a financial power of attorney. She helps keep records in order. Later, Elaine can no longer manage her Social Security. Her daughter does not assume that the power of attorney makes her Elaine's SSA representative payee.

What to record	Example entry
Need right now	Find benefit letters and current bills
Question about authority	Has SSA appointed a representative payee?
Where secure records are	Known to the approved helper
First contact about benefits	SSA or the servicing Federal Benefits Unit
Health issue	Use the right medical authority
Issue abroad	Check coverage and return plans again

The handoff works when the helper knows what to do. The helper also needs to know what authority is still missing. Advance designation lets you name who you would like as your payee ahead of time. But it is not an automatic appointment. It also does not replace broader legal planning.

Keep in mind: Never pretend to be the person who gets the benefit when you go online. Don't share passwords casually. Don't use another person's benefit for things that aren't for them. Follow the agency's rules on authorization and payees.

Our Family and Caregiver Handoff

Prepared by _____ Date _____

Main helper; backup helper; safe ways to contact them

Types of benefits and the offices that handle them

Secure place where award letters and ID documents are kept

Where the list of current regular bills and income is kept

Financial POA: where the document is and what it covers

Medical authority: where the document is and what it covers

SSA payee / advance designation status

Tax preparer; attorney; insurance contacts

Where the list of accounts and beneficiaries is kept

After a death: map of who to notify and what to claim

Abroad: emergency care / evacuation / plan to return to the U.S.

Date these instructions were reviewed with the helper

One missing document or permission to fix next

My Professional and Product Comparison

Use with [Chapter 17](#).

Compare advice using the same facts about your household each time. Keep a real planning need apart from a sales pitch.

Ask each professional to tell you:

- the problem being solved
- the other choices they looked at
- how they get paid
- the costs
- the risks
- when the advice would not fit you

Compare doing nothing, or using what you already have, as a real choice too.

A completed example

A made-up retiree needs more steady income. This person also wants savings they can get to. An annuity illustration (a sales projection) shows a \$260,000 benefit base next to a \$200,000 account value. A benefit base is a number used to figure income. The account value is the money in the contract. These labels do not mean the same money.

What to record	Example entry
Need	Income gap, plus access to emergency money
Amount shown as account value	\$200,000, subject to the contract terms
Amount shown as benefit base	\$260,000; not assumed to be cash you can withdraw
Questions	Income formula, fees, surrender charges, survivor option
Other choice	Assets you already have, or a different way to get income
How to decide	Fit and tradeoffs, not the biggest number shown

The illustration may show a useful contract feature. But it does not prove a \$60,000 cash profit. A comparison means something only when a few things are clear: your rights to take money out, the guarantees, the costs, and what each pot of money is for.

Keep in mind: No worksheet can decide by itself whether a product fits you. Check licenses and the exact contract. Do not cancel coverage you have or move money until you understand what you would lose.

My Professional and Product Comparison

Prepared by _____ Date _____

Need to solve, and a goal you can measure

Professional's name; role; license check

How the professional gets paid; conflicts of interest they told you about

Option A; option B; using what you already have

Costs up front and over time; surrender terms (fees to get out early)

Guaranteed amounts vs. projections that are not guaranteed

Account value vs. benefit base vs. cash surrender value (what you'd get if you cashed out)

Access to money; emergency savings kept outside the product

Risks: inflation, market, the insurance company, living a long time

Effects on your spouse, the death benefit, and inheritance

Effects on tax, rollovers, and living abroad

Why you chose it; choices you turned down; what would make you review it

Questions that must be answered in writing before you go ahead

My Annual Review and One-Page Plan

Use with *Chapter 18*.

Turn this book into a routine you repeat. Use the yearly calendar. But open the plan again right away after a big life change.

Compare what really happened with what you assumed last year. Write down a decision, not just “we had the meeting.” Keep the old version so a family member can see why the plan changed.

A completed example

A made-up household sets four reviews each year:

- a January cash-flow review
- a tax-season reporting check
- a midyear travel and work check
- a fall health-plan review

If a spouse dies or the family moves to another country, they review right away. They don’t wait for January.

What to record	Example entry
January	Benefit, deductions, budget, work estimate
Tax season	Returns, statements, foreign reporting
Midyear	Real spending, work, travel, savings set aside
Fall	Medicare notices and the sign-up window that applies
Year-end	Required withdrawals and tax steps
Any time	Death, marriage, divorce, move, serious illness

The October 15–December 7 Medicare plan window belongs on the fall calendar. It does not replace the Part B or Medigap sign-up rules. A calendar helps only when each task has an owner and a date.

Keep in mind: Yearly numbers and website steps change. Get fresh numbers from the official source. Don’t copy last year’s worksheet. Keep private records secure.

My Annual Review and One-Page Plan

Prepared by _____ Date _____

Review date; people in the household; next review

Types of benefits you get now and the months your claims started

Why we chose this way of claiming

Gap in must-have income after taxes, and where the money comes from

Where savings are kept, and the lowest amount to keep

Plan for the surviving spouse, and any gap left

Changes to Medicare or local coverage, and dates

Work earnings or family changes to report

Changes to travel, where you live, taxes, or banks

Who owns the January, tax-season, and midyear reviews

Who owns the fall and year-end reviews, and dates

Changes that would make us rethink the plan right away

Our next action; who is responsible; deadline

Plain-English Terms

This list helps you find your way around the book. Each term has a short, plain meaning here. Most terms also come with special conditions and exceptions. For those, go to the chapter listed and read its source notes.

AIME — Average Indexed Monthly Earnings. This is a monthly average of the pay you earned from work that counted for Social Security. SSA figures it using its own math rules. It helps set your primary insurance amount (your PIA). See [Chapter 2](#).

Annuitization. This means turning the value of an annuity into a stream of payments. You pick how you want to be paid from the choices the contract offers. Once you do this, you may lose some or all access to the money itself. See [Chapter 17](#).

Annuity. This is a contract you buy from an insurance company. It can grow in value, or it can pay you money, or both. Some annuity choices pay you for life. But not every annuity does that, so don't assume it. See [Chapter 17](#).

Benefit month. This is the month a benefit payment is for. A retirement payment usually lands in your bank account the month after. See [Chapters 7](#) and [9](#).

Bend points. These are dollar cutoffs in the formula that turns your AIME into your primary insurance amount. Which set of cutoffs applies to you depends on when you first became eligible. It does not simply depend on the year you apply. See [Chapter 2](#).

Bridge. This is money you use to pay your bills until a later income source starts. A Social Security bridge should plan for taxes, timing, a safety cushion, and things you can't predict. See [Chapter 17](#).

Certificate of coverage. This is a paper used under an agreement between two countries about Social Security. It shows which country's rules cover a certain job. See [Chapter 14](#).

COLA — Cost-of-Living Adjustment. This is a change to benefits that the law requires. It is based on the program's way of measuring rising prices. It is not a

set yearly return. It also does not promise to cover every rise in what your household pays. See [Chapter 1](#).

Combined income. This is a number used to figure out how much of your Social Security can be taxed. It usually adds up your other adjusted gross income, your tax-exempt interest, and half of your Social Security. Special changes to this math can apply. See [Chapter 10](#).

Credits. You earn these units by working in jobs that pay into Social Security. They help you qualify for benefits. Earning more credits than you need is not the same as raising the earnings used in the benefit formula. See [Chapter 2](#).

Deemed filing. These rules can treat your application for one benefit as an application for two. If you apply for a retirement benefit or a spousal benefit, and you qualify for both, SSA may count it as applying for both. These rules usually do not work the same way for survivor benefits. See [Chapters 5](#) and [7](#).

Delayed retirement credits. These are increases you earn by waiting to start your own retirement benefit after full retirement age. They stop growing at age 70. They do not raise a normal maximum spousal benefit in the same way. See [Chapters 4–5](#).

Dual entitlement. This means you qualify for more than one benefit. Special rules decide how the benefits work together. You can't just add both full amounts. See [Chapters 5](#) and [7](#).

Earnings test. These rules may hold back some of your benefits if you earn money from work before full retirement age. They are not the same as income-tax rules. See [Chapter 8](#).

Excess spousal benefit. This is the part of a spousal benefit left over after counting the spouse's own retirement benefit at its full, unreduced amount. The rules that apply decide the math. If you started your own benefit early and it was cut, that cut can stay. See [Chapter 5](#).

Family maximum. This is a cap on the total benefits that can be paid on one worker's record under certain benefit rules. It can lower what family members get, even when their own percentages look bigger. See [Chapters 5](#) and [7](#).

FBAR. This stands for the Report of Foreign Bank and Financial Accounts. Whether you must file it depends on your money accounts in other countries. It is not the same as reporting taxable income. It is also not the same as filing Form 8938. See [Chapter 14](#).

Federal Benefits Unit — FBU. This is an office outside the United States. It handles U.S. federal benefit matters for the countries it is assigned to. The closest embassy may not be the office in charge of your case. See [Chapter 13](#).

Full retirement age — FRA. This is the age when you can get your full, unreduced benefit. The schedule that applies to you sets that age. For some birth years, the retirement schedule and the survivor schedule are different. See [Chapter 3](#).

Gross benefit. This is your benefit amount before anything is taken out, like Medicare premiums or tax withholding. Before you make a budget, compare it with your net deposit. See [Chapter 10](#).

HSA — Health Savings Account. This is an account with tax breaks. It has rules about who is allowed to put money in. Those rules are tied to when you sign up for Medicare. Part A coverage can start on a past date (this is called retroactive coverage). That can change the last month you were allowed to put money in. See [Chapter 11](#).

Income rider. This is an extra feature you can add to an annuity contract. It may give you the right to set withdrawals or income. Its “benefit base” may not be cash that you can actually take out. See [Chapter 17](#).

IRMAA — Income-Related Monthly Adjustment Amount. This is an extra Medicare premium that some people pay. It is based on your income and your tax filing status. It usually uses your income from an earlier tax year. See [Chapter 10](#).

Medicare Advantage. This is a way to get your Medicare Part A and Part B benefits through a private plan instead. These plans usually add other features too. It is not a Medigap policy. See [Chapter 11](#).

Medigap. This is Medicare supplement insurance. You use it along with Original Medicare. Its sign-up protections and health questions are different from the rules for Medicare Advantage. See [Chapter 11](#).

Modified endowment contract — MEC. This is a life insurance contract with a special tax label. That label changes how taxes work when you take money out or borrow against it. No one should call it a tax-free income source with no strings attached. See [Chapter 17](#).

Net deposit. This is the amount actually paid to you after things are taken out. It may still not be the final amount you can spend. If you will owe more tax later, you’ll have less to spend. See [Chapters 9–10](#).

Nonresident alien. This is a U.S. tax label. It does not mean every person who is not a citizen. It also does not mean every person who lives in another country. See [Chapters 12](#) and [14](#).

Original Medicare. This is the federal government's Part A and Part B coverage. It is different from getting those same benefits through Medicare Advantage. You need to think about drug coverage and extra insurance separately. See [Chapter 11](#).

PIA — Primary Insurance Amount. This is your basic benefit amount. It is figured from your work earnings record. It is the amount before any changes for the age when you start your benefit. See [Chapter 2](#).

Reconsideration. This is the first step in an appeal. You ask SSA to look again at a decision it made. It is not the same as asking for an overpayment waiver. See [Chapter 9](#).

Representative payee. This is a person or group that SSA picks to manage benefits for someone who needs help. Having a power of attorney does not automatically give you this role. See [Chapter 18](#).

Required minimum distribution — RMD. This is the smallest amount you must take out of certain retirement accounts each year. Rules about age, who owns the account, and who inherits it decide the amount. It is not a suggestion for how much to spend. See [Chapter 10](#) and [Appendix A](#).

Saving clause. This is wording in a tax treaty. It keeps certain rights to tax you in place, even when other parts of the treaty say something else. It has its own listed exceptions. Read it together with the part of the treaty that covers your kind of income. See [Chapters 14–15](#).

Special enrollment period — SEP. This is a chance to sign up for coverage outside the usual times. You get it when certain things happen in your life. Part B, Medicare Advantage, Part D, and Medigap protections each have different conditions. See [Chapter 11](#).

SSA-1099 / SSA-1042S. These are yearly statements that show your benefit amounts. You use them when you do your taxes. Which form you get depends on your situation. See [Chapters 10](#) and [14](#).

SSDI / SSI. These stand for Social Security Disability Insurance and Supplemental Security Income. SSDI is an insurance program. To get it, you must have a disability and enough work history. SSI is based on financial need. The two are not the same, and you can't swap one for the other. See [Chapter 1](#).

Survivor benefit. This is a benefit paid to an eligible family member based on the work record of a worker who has died. It is not money left over in the person's account that you inherit. See [Chapter 7](#).

Tax residence. This is your tax status in a country. That country's tax law decides it. Where a treaty applies, the treaty rules also matter. Your passport, mailing address, or just counting days may not be enough to settle it. See [Chapter 12](#).

Totalization agreement. This is an agreement between the U.S. and another country about Social Security. It covers things like which country's coverage applies and how work credits from both countries are combined. It is not the same as an income-tax treaty. See [Chapter 14](#).

Waiver. This is a request asking SSA not to collect back an overpayment. It can be granted when the legal conditions for a waiver are met. A waiver does not always mean your first benefit amount was figured wrong. See [Chapter 9](#).

Widow(er)'s benefit limit. This is a limit on survivor benefits. It can apply when the worker who died took reduced retirement benefits. The math is trickier than just copying the worker's last check. See [Chapter 7](#).

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This book grew out of the questions families ask him most. Many of those families have lives that cross more than one country. The goal of this handbook is not to make every reader choose the same claiming age, product, or place to retire. The goal is to help you build a plan you understand, check the rules that apply to you, and leave a clear record for your family.

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