

## ***Philip and Ruth Meguire: USA***

We:

- Have resided in New Zealand for 15 years;
- Contributed to USA Social Security for >20 years;
- Are aged 58 and 55. Also have 8 year old daughter.

We owe USA income tax on all income from domestic & foreign sources. But:

- Until daughter leaves home, first US\$35,000 p.a. of household income exempt from tax;
- Maximum realistic USA marginal income tax rate on SS pension = 12.75%.

## Earliest possible USA retirement age (62)

All amounts \$ monthly.

Age Philip	<b>62</b> ...	<b>65</b> ...	<b>68</b>
<b>USA</b>			
Philip	697	697	697
Ruth		744	744
Philip+Ruth	697	1,441	1,441
Same in NZ\$	976	2,018	2,018
<b>NZ</b>			
Philip		1,060	
Philip+Ruth			2,121
<b>NZ Super</b>			
<b>pays:</b>		<b>0</b>	<b>103</b>

## Latest practicable USA retirement age (70)

All amounts monthly

Age Philip	<b>70</b>	...	<b>73</b>
<b>USA</b>			
Philip	1,221		1,221
Ruth			1,305
Philip+Ruth	1,221		2,526
Same in NZ\$	1,710		3,537
<b>NZ</b>			
Philip	1,060		
Philip+Ruth			2,121
<b>NZ Super pays:</b>	<b>0</b>		<b>0</b>

## **Ruth becomes a widow**

All amounts monthly

USA SS continues to pay her US\$744.

Assume exchange rate = 0.702 US\$/NZ\$.

NZ\$ equivalent of USA SS NZ\$1,060  
= NZ Super for single persons!

New Zealand pays Ruth \$0.

Assume exchange rate = 0.8

New Zealand pays Ruth NZ\$130/month.