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RETIRE HOW?

A PRACTICAL GUIDE TO RETIREMENT BENEFITS IN CANADA AND THE U.S.

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Introduction

No two retirement plans look the same, but one thing is certain: understanding your benefits ahead of time makes all the difference.

Whether you've spent decades working in Canada, the U.S., or are considering moving between the two, knowing what you're entitled to, how benefits are structured, and how to maximize them can help you retire with confidence.

But here's the challenge: both countries have different systems, rules, and financial implications. Some retirees receive more than they expect, while others lose money without realizing it due to unexpected taxes, clawbacks, or poor timing.

Why Compare Canada and the U.S.?

At first glance, both countries offer government-backed retirement programs. But that's where the similarities end.

1. One country gives higher payouts, but taxes benefits more heavily.
2. One has a more flexible system, while the other has stricter income rules.
3. Both require smart planning to get the most out of what you're owed.

If you don't understand these differences, you might end up with less money than you planned for—or worse, making decisions that permanently reduce your benefits.

What This Book Covers

This is not a dry financial guide filled with jargon. Instead, it's a straightforward, practical, and engaging breakdown of what you need to know about retirement benefits in 2025.

- Expect real-life examples that show how benefits work in action.
- Find simple strategies to maximize your income and avoid costly mistakes.
- Get clear answers about taxes, eligibility, and claiming strategies.

Who This Book Is For

✅ **Canadians navigating CPP and OAS** – Learn how to maximize benefits.
✅ **Americans planning with Social Security** – Understand eligibility, calculations, and payout strategies.
✅ **Cross-border retirees** – Get clarity on how benefits differ and how to plan effectively between both systems.

By the end, you'll have a solid understanding of your options and be prepared to make the most of your retirement benefits.

Chapter I: Why Retirement Planning Matters

Retirement should be a time of freedom, not financial stress. Yet, many people reach this stage unprepared. Some assume government benefits will cover everything. Others miscalculate expenses or overlook how long their savings need to last.

Without a solid plan, your money can run out too soon. A well-structured retirement strategy ensures you have enough for **housing, healthcare, travel, and daily needs** without financial strain.

This chapter explores how proper planning prevents financial shortfalls, protects against common mistakes, and helps secure long-term stability.

Planning for a Secure Retirement

A secure retirement requires smart decisions and careful planning. While government benefits like CPP, OAS, and Social Security provide some financial support, they aren't enough on their own. The key to long-term financial security is knowing how much you'll need and where that money will come from.

Here's what a strong retirement plan should include:

- **A clear estimate of future expenses** – Consider housing, healthcare, daily living costs, and inflation to get a realistic picture of what you'll need.
- **A mix of income sources** – Government benefits are a foundation, but personal savings, pensions, and investments ensure you won't outlive your money.
- **A withdrawal strategy** – Budgeting how much you withdraw each year helps prevent overspending early on.
- **Tax planning** – Knowing how withdrawals are taxed can help you keep more of your money.

By combining government benefits with personal savings and smart financial strategies, you can create a retirement plan that supports your lifestyle, no matter how long you live.

Quick Overview of 2025 Retiree Benefits

Planning for retirement starts with understanding the financial support available to you. Canada and the U.S. both offer government-backed programs, but the way they are structured, funded, and distributed varies.

Some retirees rely heavily on these benefits, while others use them as a supplement to personal savings. Knowing how these programs work can help you make informed financial decisions and avoid unexpected shortfalls.

Canada vs. U.S.: Side-by-Side Comparison

The table below highlights key differences between the two systems in 2025:

Feature	Canada (2025)	US (2025)
Max Benefit Amounts	**CPP:** Up to CAD 1,433 **OAS:** ~ CAD 727.67 (subject to clawbacks) **GIS:** Up to CAD 1,086.88 for single individuals	**Social Security:** Up to USD 3,100 for high earners **SSI:** Maximum of USD 967
Eligibility Age	**CPP:** Begins at 60 (reduced), full benefits at 65 **OAS/GIS:** Starts at 65	**Social Security:** Available from age 62 (reduced) or 67 (full) **SSI:** No fixed age; eligibility based on financial need
Contribution Requirements	**CPP:** Funded through payroll deductions **OAS/GIS:** Supported by general tax revenues	**Social Security:** Based on work credits from payroll taxes **SSI:** No contributions are required
Income Testing	**OAS:** Clawbacks apply when income exceeds set thresholds **GIS:** Strictly means-tested	**Social Security:** Benefits may be partially taxable **SSI:** Strictly means-tested

GIS for Couples

The Guaranteed Income Supplement (GIS) isn’t just for individuals. Couples can qualify too, but the amount you receive depends on how much income you both have and whether one or both of you receive OAS.

Here’s a quick breakdown:

- If both spouses receive OAS and have little or no other income, each person could get up to $654.63 per month in GIS.
- If only one spouse receives OAS, that person might qualify for up to $1,036.70 per month.

GIS is reviewed every three months, and the amount adjusts automatically based on your reported household income.

Here's a simple example:

Meet **Lila** and **John**, both 66 and retired. They live together and both receive full OAS. They have no other income outside of government benefits.

Because they're a couple and their combined income is low, each of them qualifies for GIS.

In this case, they could each receive up to $654.63/month, bringing in an extra $1,309.26/month on top of their OAS payments.

If only John received OAS (say, Lila hasn't turned 65 yet), John could qualify for a higher GIS amount—up to $1,036.70/month, depending on their income.

Key Takeaways at a Glance:

- Canada's system combines contributions (CPP) and tax-funded benefits (OAS/GIS).
- The U.S. system relies mainly on lifetime earnings for Social Security, with SSI supporting low-income individuals.
- Eligibility, benefit calculations, and income testing rules differ significantly between the two countries.
- Neither system replaces personal savings entirely. Both serve as supplemental income.

Chapter II: Understanding Canada’s Retirement Benefits

Planning for retirement is like preparing for life after a steady paycheck. The transition from earning a salary to relying on savings and government benefits requires careful planning. In Canada, three key programs provide financial support:

1. **Canada Pension Plan (CPP)** – Based on your lifetime earnings and contributions.
2. **Old Age Security (OAS)** – A government-funded pension available to most seniors.
3. **Guaranteed Income Supplement (GIS)** – Extra financial assistance for low-income retirees.

Each program has different rules, eligibility requirements, and payment structures. Understanding how they work together can help you maximize your retirement income and avoid financial surprises. This chapter breaks down these benefits so you can plan with confidence.

Canada Pension Plan (CPP)

For most working Canadians, CPP acts as a monthly paycheck in retirement. Throughout your career, a portion of your income is deducted and matched by your employer. These contributions determine how much you’ll receive when you retire.

Who Pays Into CPP?

✔ Employees and employers contribute equally.
✔ Self-employed individuals pay both shares.
✔ Contributions are based on your income, up to a set maximum.

How Much Will You Get?

Your monthly CPP payment depends on:

✔ Your earnings during your working years.
✔ How many years you contributed.
✔ When you start collecting CPP.

Early vs. Late CPP: What’s the Difference?

Let’s say David is turning 60 and considering whether to take CPP now or wait.

- If he starts at 60, he will receive 36% less each month than if he waited until 65.

- If he delays until 70, his payments increase by 42%.

Here's what his monthly payments could look like in 2025:

Age to Start	Monthly CPP (2025)	Annual Total	Lifetime Total (by age 85)
60 (early)	CAD 916	CAD 10,992	CAD 274,800
65 (standard)	CAD 1,433	CAD 17,196	CAD 343,920
70 (delayed)	CAD 2,034	CAD 24,408	CAD 366,120

Taking CPP early means smaller payments for life while delaying results in larger monthly payouts. If you need income immediately, taking CPP at 60 might make sense. But if you can wait, delaying to 70 means a bigger financial cushion in your later years.

Old Age Security (OAS)

Unlike CPP, **OAS doesn't depend on your work history or contributions**. Instead, it's a **government-funded pension** that most Canadians receive after turning 65.

Who Qualifies for OAS?

✅ Must be **65 or older**.
✅ Must have lived in Canada for **at least 10 years after age 18** to receive partial benefits.
✅ Full benefits require **40 years of residency in Canada**.

How Much Will You Get?

Age	Monthly OAS (2025)
65–74	CAD 727.67
75+	CAD 800.44

OAS Clawbacks: Will Your Benefits Be Reduced?

If your annual income exceeds **CAD 93,454**, the government starts reducing your OAS payment by **15 cents for every dollar** above this limit. This is called the **OAS clawback** (or **Recovery Tax**).

Take the following as an example:

- **Mark** earns **CAD 120,000 per year** in retirement income. Since he's over the threshold, his OAS is **partially reduced**.
- **Lisa** earns **CAD 160,000 per year**. Because she exceeds the **CAD 151,668 (65–74)** limit, she **loses all OAS benefits**.

Higher-income retirees may receive a reduced OAS or none at all. If you're nearing the income threshold, planning ahead can help reduce clawbacks.

Guaranteed Income Supplement (GIS)

GIS is designed to **help seniors who rely primarily on OAS but have little to no additional income**. Also, **GIS is strictly need-based and doesn't require direct contributions.**

Who Qualifies?

✅ Must be **65+ and receiving OAS**.
✅ **Single seniors** must earn **less than CAD 22,056 per year**.
✅ **Couples** must have a combined income **below CAD 29,568**.

How Much Will You Get?

Status	Maximum Monthly GIS (2025)
Single senior	Up to CAD 1,065
Couple (both receiving OAS)	Up to CAD 641 each
Couple (only one receiving OAS)	Up to CAD 1,065 for one spouse

How GIS Works in Real Life

- **Alice, 68**, receives OAS and has an annual income of **CAD 10,000** from savings. She **qualifies for partial GIS**.

- **John, 70**, has an income of **CAD 25,000** from a private pension. His GIS is **completely phased out**.

GIS is essential for low-income seniors, but benefits decrease as income rises.

In the next chapter, we'll explore retirement benefits in the United States, highlighting similarities and key differences compared to Canada's system.

Two Other Benefits You Should Know About

In addition to the core programs like CPP, OAS, and GIS, two other benefits often go unnoticed but can make a meaningful difference. One helps low-income spouses who aren't yet eligible for OAS. The other rewards those who keep working past 65 while receiving CPP.

Allowance

✔ Designed for low-income spouses or common-law partners aged 60 to 64

✅ Only available if your partner receives both OAS and GIS

✅ Helps bridge the gap until you qualify for OAS at age 65

✅ Income-tested and paid monthly

Post-Retirement Benefit (PRB)

✔ Available if you keep working after age 65 and already collect CPP

✅ You continue contributing to CPP, and those contributions earn you extra monthly payments starting the following year

✅ These payments are added on top of your regular CPP for life

Chapter III: Understanding U.S. Retirement Benefits

For many Americans, Social Security isn't just a government program. It's their main source of income in retirement.

But how much will you actually receive?

When should you start collecting?

And what if you haven't worked enough to qualify?

If you've spent years paying into Social Security, you'll want to understand exactly how it works so you can make the best choices for your financial future. But if you haven't earned enough work credits, Supplemental Security Income (SSI) may be an option to help cover basic living expenses.

This chapter breaks down Social Security and SSI, explaining who qualifies, how much you can get, and how to maximize your benefits.

Social Security

Social Security has been around since 1935, and for millions of Americans, it's **the most reliable source of income in retirement**. If you've ever noticed money taken out of your paycheck for **FICA taxes**, that's your **Social Security contribution at work**. Your employer also pays the same amount on your behalf. If you're self-employed, you pay both portions.

Who Qualifies for Social Security?

Not everyone automatically qualifies. To receive Social Security retirement benefits, you need to:

✅ Earn **40 work credits** (usually about **10 years of employment**).
✅ Have **earned income and contributed to Social Security**.

How Much Will You Get?

Your Social Security check isn't random—it's based on:

- **Your highest-earning 35 years** – The more you earn, the bigger your benefit.
- **When you start collecting** – Claiming early reduces payments, delaying increases them.

Child-Rearing and Pension Benefits: Canada vs. U.S.

If you've taken time off work to raise children, you might be wondering how that affects your retirement benefits. Both Canada and the U.S. calculate pensions based on how much you've earned over time, but they don't treat child-rearing years the same way.

Here's a quick look at how the two systems compare:

Feature	Canada (CPP)	U.S. (Social Security)
How benefits are calculated	Based on average earnings over contributory years, with provisions to drop low-earning periods.	Based on the average of **35 highest-earning years.**
How child-rearing years are handled	**CPP's child-rearing provision** allows parents to drop years with low or no income while caring for children under age 7.	No specific provision to exclude child-rearing years from the 35-year calculation.
Impact on benefits	Dropping low-income years can **increase your final CPP benefit.**	Years with little or no income are still counted, which may **reduce your benefits.**
Who qualifies	Primary caregivers (often mothers) who stopped or reduced work to care for children.	All workers are treated the same, but caregiving years are not adjusted for them.

This table helps show how the Canadian system offers a **bit more flexibility for parents**, especially those who paused their careers. It also reinforces why it's important to understand the **fine print** of each system when planning your retirement.

Should You Take Social Security Early or Wait?

Let's look at **Maria and James**, two soon-to-be retirees making different choices:

- Maria is 62 and ready to retire now. She knows taking Social Security early means a smaller check for life, but she needs the income. Based on 2024 data from the **U.S. Social Security Administration**, the average monthly Social Security benefit across all retired workers is about $1,976. However, for those who claim benefits early at age 62, the typical monthly payment is lower—

usually around $1,300 to $1,500—due to the reduced payout for early retirement.

NOTE: Monthly benefit estimates are based on Social Security rules. For example, if full retirement age is 67 and the full benefit is $2,000, then claiming at 62 reduces that by about 25%, resulting in a $1,500 monthly benefit.

Total lifetime benefits are calculated as: monthly benefits × number of years receiving payments. (e.g., $1,500 × 23 years = $414,000).

- **James, on the other hand, decides to wait until 70.** Thanks to delayed retirement credits—an 8% increase for each year past full retirement age—his benefit increases by 24%, reaching about **$2,480 per month**. This higher monthly payment is common for those who qualify for average or slightly above-average full benefits and delay until 70.

By the time both reach **85 years old**, here's how their total benefits compare (not adjusted for inflation or cost-of-living increases):

Age to Start	Monthly Benefit (2025)	Total Earned by 85
62 (Maria)	$1,500	$414,000 (23 years)
67 (Full Age)	$2,000	$432,000 (18 years)
70 (James)	$2,480	$446,400 (15 years)

Note: *These are illustrative figures based on national averages. Actual benefits vary based on lifetime earnings, claiming age, and future Social Security adjustments.*

Maria enjoys **more years of payments**, but James ends up with **more total money** in the long run.

Moral of the story? If you need the income, taking it early makes sense. But if you can wait, delaying means larger checks for life.

How Social Security and CPP Keep Up With Inflation

Every year, Social Security adjusts benefits to account for **inflation**—this is called a **Cost-of-Living Adjustment (COLA)**. In Canada, a similar adjustment is made and is often referred to as an "Inflation Adjustment." In **2025**, benefits were increased **by 2.5%**.

For example, if you received **$1,000 per month in 2024** and the COLA increase for 2025 is **2.5%**, your new monthly check would be **$1,025 per month in 2025**.

Each January, these adjustments are made based on the cost of living, and they happen automatically—retirees don't need to do anything to receive the increase.

In **Canada**, the equivalent is known as an **Inflation Adjustment**. As of **January 2025**, **CPP payments increased by 2.6%**, based on the **Consumer Price Index (CPI)** for all items in **December 2024**. Just like in the U.S., **CPP is indexed to inflation each January**, ensuring benefits maintain purchasing power year after year.

Beyond Retirement: Other Social Security Benefits

Social Security and CPP aren't just for retirees—they also support:

- **People with disabilities** who can no longer work.
- **Survivors**—widows, widowers, and dependent children of deceased workers.

Many people **don't realize they're eligible for these benefits**. It's worth checking with Social Security and Service Canada if you think you might qualify.

Supplemental Security Income (SSI)

Not everyone has a work history that qualifies them for Social Security. That's where **Supplemental Security Income (SSI)** comes in—it helps seniors **who have little to no income**.

Who Qualifies for SSI?

To receive SSI in 2025, you must:

- Be **65 or older, blind, or disabled**.
- Have **very limited income** (less than **$2,000 in assets for individuals**, or **$3,000 for couples**).

How Much Will You Get?

SSI payments are **strictly need-based**, meaning the less income you have, the more SSI you can receive.

In **2025**, the **maximum SSI payments** are:

- **$967 per month** for individuals.
- **$1,450 per month** for couples.

Unlike Social Security, **your benefit may be reduced based on other income or living arrangements**.

How Living Arrangements Affect SSI Payments

Where you live can **impact how much SSI you receive**.

- **If you live rent-free (like with family), your SSI check may be smaller** since your expenses are lower.
- **Some states add extra money to SSI payments**, meaning where you live matters.

Let's learn from Steve's story:

Steve, 68, qualifies for SSI and lives in **California**, where the state provides extra SSI funds. His monthly check is **higher** than his friend Mike, who lives in **Texas**, where no extra funds are added.

The lesson here is that SSI isn't the same everywhere. State rules make a difference.

Does SSI Get COLA Increases?

Yes. Just like Social Security, **SSI benefits also increase with COLA adjustments** each year.

If you received **$943 per month in 2024**, and the COLA increase for 2025 is **2.5%**, your new benefit would be **$967 per month**.

These increases happen automatically, ensuring SSI recipients keep up with rising costs.

Chapter IV: Canada vs. U.S. – Which Country Offers Better Retirement Benefits?

Retirement systems in Canada and the U.S. might aim for the same goal—financial support in later life—but they take different paths to get there. If you've worked in both countries or plan to retire abroad, it's worth knowing how each system works, what it pays, and where it might fall short.

This chapter breaks down four key areas: how benefits are funded, who gets more, how income affects payouts, and what happens if you retire overseas.

How The Benefits are Funded

In Canada, **you don't contribute to the Canada Pension Plan (CPP) on your entire income**. There are **specific earning thresholds**, and contributions apply **only within a set income range**, not from the first dollar earned.

CPP contributions follow an income-based structure:

- **No contributions are required on the first $3,500** of annual earnings. This amount is known as the **basic exemption.**
- **Between $3,500 and $66,600 (the Year's Maximum Pensionable Earnings or YMPE for 2023–2024)**, employees contribute 5.95% of their income, and employers match this with an additional **5.95%**.
- **Between $66,600 and $73,200**, an **additional 4% contribution** applies under the **CPP enhancement**—also split between the employee and employer.

If you're **self-employed**, you're responsible for paying **both the employee and employer portions**:

- **11.9%** on income between **$3,500 and $66,600**, and
- **8% total** on the enhanced portion between **$66,600 and $73,200**.

So, if you earn, say, $250,000, you won't be charged CPP contributions on the full amount. CPP is only applied to the income within those specified brackets—this is what's known as the **earning ceiling**, or **YMPE**.

On top of CPP, retirees may qualify for **Old Age Security (OAS)** and the **Guaranteed Income Supplement (GIS)**. These benefits are funded by general tax revenue, not payroll contributions, and are based on **residency and income**, not work history.

In the U.S., **Social Security** is funded entirely by payroll taxes—6.2% from both employees and employers. **Supplemental Security Income (SSI)**, designed for low-income individuals, is tax-funded but separate from Social Security.

For example, a Canadian who worked part-time or stayed home to raise children may still qualify for OAS at retirement due to residency, whereas in the U.S., Social Security depends directly on employment earnings.

Who Receives Higher Benefits?

At the high end, the U.S. pays more—but the average story is different.

In 2025, the **maximum U.S. Social Security payout** is about **$4,018 per month**, but most retirees get around **$1,976**. In Canada, the **maximum CPP** is around **$1,433**, and many receive less. However, OAS and GIS can boost total monthly income to over **$2,900** for low- to moderate-income retirees.

A Canadian retiree with a modest work history could still receive meaningful support from OAS and GIS. Meanwhile, an American retiree who earned a high income and delays claiming benefits can secure a much larger payout—but only if they meet those conditions.

Income Rules & Clawbacks – Who Pays More in Taxes?

Both systems reduce benefits for higher-income retirees—but in different ways.

In Canada:

- **CPP and OAS are taxable.**
- **GIS is tax-free.**
- If your net income exceeds **$90,997**, OAS gets clawed back at **15 cents per dollar** over that amount.

In the U.S.:

- **Up to 85% of Social Security can be taxed.**
- The threshold starts at **$25,000 for individuals** and **$32,000 for couples**.
- **SSI is not taxed** but only available to low-income recipients.

Let's say a Canadian couple has investment income—they'll need to keep an eye on OAS clawbacks. An American couple might avoid Social Security taxes by using Roth IRA withdrawals or controlling taxable income year by year.

In Canada, this strategy often involves using a Tax-Free Savings Account (TFSA), which, like a Roth IRA, allows for tax-free withdrawals and doesn't impact OAS eligibility.

Can you Collect Benefits if You Move Abroad?

Thinking about retiring outside North America? Portability matters.

In Canada:

✔ **CPP is fully portable** – you can receive it anywhere in the world.

✔ **OAS is portable** if you lived in Canada for at least 20 years after turning 18.

✔ **GIS stops after six months outside the country.**

✔ **Allowance also stops after six months abroad.** Like GIS, it's intended for low-income Canadians living in the country.

In the U.S.:

✔ **Social Security can be collected abroad**, except in a few restricted countries.

✔ **SSI stops after 30 consecutive days** overseas.

In short: Canadians who meet residency rules can **collect most benefits while living abroad**. Americans on **Social Security can do the same**, but **SSI doesn't travel well**—it's meant only for those living within the U.S.

Chapter V: How to Get the Most Out of Your Retirement Benefits

Knowing what you're entitled to is important—but knowing how to use it wisely is where real value shows up. Whether you're in Canada or the U.S., small choices about timing and income sources can lead to bigger payouts and fewer tax headaches.

This chapter covers practical ways to stretch your benefits further, avoid common traps, and keep more of what's yours.

Smart Strategies for Canadians

Delaying benefits can pay off—literally.

If you wait to claim **CPP**, you'll gain **0.7% more per month** after 65—up to **42% more** by age 70. **OAS** grows by **0.6% per month**, capping at **36% more** if you defer to 70.

Let's say you qualify for $1,000/month in CPP at 65. Waiting until 70 increases it to $1,420/month. That's nearly **$5,000 extra every year**—for life. If you're healthy and have other sources of income, the delay can be worth it.

Then there's the **OAS clawback**. In 2025, it kicks in if your net income goes above **$90,997**. But there are ways to stay under the radar.

Take a couple in their late 60s. Instead of pulling from their **RRIFs** (which count as taxable income), they use their **TFSAs** for living costs. TFSA withdrawals don't count toward income, so they avoid the clawback.

Another tax-saving strategy?

Split eligible pension income between spouses. This can reduce the total amount of tax paid by spreading the income across both partners—especially if one earns significantly less. It may also help keep both individuals below key income thresholds for benefit clawbacks.

To see how this works in real numbers, you can use the **ENY Personal Tax Calculator**, which allows you to input pension income and model the tax impact with or without income splitting. This tool is useful for comparing scenarios side by side.

Example:
John earns $60,000 in eligible pension income, and his spouse, Sarah, has no income. Without pension splitting, John reports the full amount, which pushes him into a higher tax bracket. By splitting the income evenly—$30,000 each—they reduce

their overall tax bill. It also creates more room below the OAS clawback threshold ($90,997 in 2024), helping protect future benefits.

Try it here: https://www.eytaxcalculators.com/en/2024-personal-tax-calculator.html

The Ideal Strategy in Canada:

- Delay what you can.
- Draw income smartly.
- And use the tax-free tools available to you.

Smart Strategies for Americans

In the U.S., **delaying Social Security** can also bring a big boost.

For every year you wait past your full retirement age, your benefit rises by about **8%,** up to age 70.

Let's break it down: Let's say you are eligible for $2,000/month at 62. But if you wait until 70? You could get **$3,400/month** instead. Over 25 years, that's more than **$100,000 in extra income**.

The math favors those with **longer life expectancies**, so if you're in good health and don't need the money right away, holding off can pay off big.

Now let's talk taxes.

If your **combined income** (adjusted gross income + half your Social Security + tax-exempt interest) goes over **$25,000** for individuals or **$32,000** for couples, up to **85% of your Social Security becomes taxable**.

But you can control that.

Say you have both a **traditional IRA** and a **Roth IRA**. In high-income years, draw from the Roth. That keeps your taxable income lower and may help you stay below the threshold. Others might spread traditional IRA withdrawals over time or convert small amounts into Roth accounts during lower-income years.

The Ideal Strategy in the U.S.:

- Time your withdrawals wisely.
- Reduce income spikes.
- And don't let taxes eat into your benefits.
- Speak to a reliable financial advisor.

Whether you’re in Canada or the U.S., careful planning around when and how you draw your benefits can help you protect more of your income, avoid unnecessary taxes, and improve your financial security throughout retirement.

Chapter VI: Healthcare & Retirement – What You Need to Know

Healthcare is one of those retirement costs that sneak up on people. It's easy to assume it'll be handled, especially in countries with public healthcare—but the truth is, **there are always gaps**. And those gaps can get expensive fast.

Canada and the U.S. offer very different systems. One is publicly funded, and the other relies heavily on private options. Neither is perfect. And both require planning.

This chapter breaks down what retirees in each country need to know, what's covered, and where you'll need to fill in the blanks yourself.

Healthcare Costs & Retirement – The Big Picture

Healthcare costs don't disappear once you stop working—they just shift. In Canada, many services are covered at the point of care. In the U.S., they're often paid for through a mix of premiums, deductibles, and co-pays.

- In **Canada**, doctor visits and hospital care are covered through publicly funded healthcare. Prescription drugs, long-term care, and vision services are still mostly out-of-pocket, although each province may offer partial subsidies for seniors.
- **Dental care, which was previously not included, is now partially covered under the federal Canadian Dental Care Plan (CDCP).** As of 2025, eligible seniors without private dental insurance can access coverage for routine services such as exams, cleanings, fillings, and dentures. Coverage levels depend on household income, and co-pays may apply.
- In the **U.S.**, Medicare covers hospital stays (Part A) and outpatient care like doctor visits (Part B), but it comes with monthly premiums and deductibles. It **doesn't cover long-term care, hearing aids, or most vision needs**. For example, **routine eye exams are covered, but prescription glasses are not**. Many retirees buy extra coverage through Medicare Advantage, Part D drug plans, or Medigap to help with out-of-pocket costs.

Long-term care is a common problem area. In both countries, **you'll either wait in line for public options or pay out of pocket**. And costs add up quickly.

Healthcare for Canadian Seniors

Canada's healthcare system covers the basics—hospital visits, doctors, and emergency care. The system is publicly funded, and access doesn't depend on income or past employment.

But there are blind spots:

- **Prescription drugs**: Each province runs its own plan, and coverage varies. Seniors often pay out of pocket unless they qualify for income-based subsidies.
- **Long-term care**: Public facilities exist but space is limited. Private options can cost $2,000 to $5,000+ a month.
- **Vision and hearing**: Partially covered. Most seniors pay for these themselves or through private insurance. For example, routine eye exams are covered but not prescription glasses.

If you're on a low income, you may qualify for support through **OAS, GIS**, or provincial subsidies. Some provinces also offer help with home care, mobility devices, or prescriptions.

Still—**having public healthcare doesn't mean zero cost**. Planning for these non-covered services is key, especially as needs grow with age.

Medicare & Medicaid in the U.S.

In the U.S., most retirees rely on **Medicare** starting at age 65. It's not free—and it doesn't cover everything—but it does reduce some of the financial burden.

Here's a quick breakdown of how it works:

- **Part A** covers hospital stays and short-term skilled nursing. No premium if you've paid Medicare taxes.
- **Part B** includes outpatient care, doctor visits, and preventative services. It has a monthly premium.
- **Part C** (Medicare Advantage) is a private bundle of Parts A and B, often with extras like dental or vision.
- **Part D** offers prescription drug coverage through private insurers.

Where Medicare falls short:

- It doesn't cover long-term care.
- It excludes dental, vision, and hearing aids—unless you're on a plan that adds them.
- There's no annual out-of-pocket maximum for Original Medicare.

For retirees with low income and few assets, **Medicaid** can step in. It can cover things Medicare doesn't—but the eligibility bar is strict, and some must *"spend down"* assets first.

Side-by-Side Comparison: Canada vs. U.S. Healthcare

The healthcare systems in Canada and the U.S. differ in how they deliver care, what they cover, and how much retirees can expect to pay out of pocket. This table provides a quick comparison across key categories to help you understand how each system may impact your retirement planning.

Category	Canada	United States
Cost	Publicly funded; basic care is free at the point of use	Premiums, co-pays, deductibles apply
Accessibility	Universal, but wait times can be long	Faster access, but the cost is a barrier
Coverage	Covers core services; drugs and extras vary by province	Covers hospital/outpatient; extras require add-ons

Each system has trade-offs. Canada has fewer upfront costs, but the coverage isn't all-inclusive. The U.S. offers more options—at a higher and more unpredictable cost.

What Retirees Need to Know

Let's look at two examples:

Nora, retired in Ontario, had full coverage for doctor visits and hospital care. But when she needed arthritis medication, it wasn't on her province's list. She ended up paying over $300/month until she added private insurance.

Michael, retired in Florida, had quicker access to specialists through Medicare Advantage—but between premiums, prescription costs, and a Medigap plan, his monthly healthcare bill topped $350. And dental work is paid out of pocket.

Both had access to care. Neither had full coverage. The key difference is how much they had to plan for what wasn't included.

How to Estimate Your Retirement Benefits

Alongside medical costs, it's also important to know how much money you'll actually have coming in. Here are a few basic information that can help you **estimate your monthly retirement income**—it's not exact, but it gives you a useful starting point for planning ahead.

Canada

- **CPP**
  Based on average earnings + years of contribution.
  🔷 Max for 2025: **CAD $1,433/month**
  🔷 Average payout: ~**CAD $772/month**

- **OAS**
  Based on residency in Canada after age 18.
  🔷 Max for 2025: **CAD $727.67/month** (ages 65–74)
  🔷 Reduced if income exceeds **CAD $90,997**

- **GIS**
  Strictly for low-income seniors receiving OAS.
  🔷 Max for singles: **~CAD $1,086.88/month**
  🔷 Decreases as income rises

United States

- **Social Security**
  Based on the highest 35 years of earnings.
  🔷 Max for 2025: **USD $4,018/month**
  🔷 Average payout: ~**USD $1,976/month**

- **SSI**
  For seniors with minimal income and assets.
  🔷 Max for 2025: **USD $943/month (individual base rate)**
  🔷 Strict income and resource limits

Use online tools to plug in your numbers and get a closer estimate—or work with a financial planner to build a complete picture.

🔷 For Canada: Try the **Canadian Retirement Income Calculator**, a government tool that helps you estimate your future income from public pensions like CPP and OAS.

Use it here:
https://www.canada.ca/en/services/benefits/publicpensions/cpp/retirement-income-calculator.html

🔷 For the U.S.: Visit the **Social Security Administration's Benefit Calculators** page. These tools let you estimate your future Social Security payments based on your earnings history.

Access it here: [**https://www.ssa.gov/benefits/calculators/**](https://www.ssa.gov/benefits/calculators/)

The bottom line here is that healthcare might not be your biggest concern now, but it will be later. Costs add up. Coverage is never complete. And once your health changes, it’s too late to plan.

Chapter VII: Tools & Resources for Smarter Retirement Planning

Retirement isn't just about having enough money—it's about using what you have wisely. The good news? There are free tools out there that can help. Whether you're exploring new places to live or trying to manage life on a fixed income, the right platforms can make a big difference.

Here are two worth bookmarking.

How Dollarfar.com Helps Retirees

Dollarfar.com helps you answer a big question:
"How far can I stretch my dollar and still live well?"

The platform offers powerful tools like a **cost-of-living comparison calculator** across 9,000+ global cities, helping users explore where their money goes further. For example, comparing Toronto to Hyderabad shows how expenses like rent and groceries can be over **70% lower**, with no major compromise in quality of life.

But this isn't about relocating permanently. DollarFall.com promotes **affordable, immersive travel experiences**—a new approach to retirement that goes beyond simply working longer or saving more.

The site also offers a free **retirement planning guide**, available in exchange for basic info (name, email) or purchase at a low cost (e.g., $1.99) if users prefer privacy.

At its core, DollarFall.com is about **financial literacy and real-world planning**. It helps people—especially those overlooked by traditional advisors—explore smarter, global options for living better on the income they already have.

> ***That's the mission behind the name: DollarFall.com—helping your dollar go further.***

RetireHow.com – A Guide to Maximizing Retirement

RetireHow.com is all about making the most of retirement, especially on a fixed income.

From budgeting guides to cross-border healthcare advice, it gives retirees the practical know-how to manage real-life challenges. Sandra, for example, used the site to plan a part-time relocation to Arizona. She found help navigating housing, long-stay insurance, and U.S. travel tips—without overspending.

RetireHow.com also partners with service providers to offer:

- Insurance,
- discounts on travel,
- and senior-friendly services.

If you're planning to stay mobile in retirement, this platform helps you go further, for less.

A New Way to Retire Without Downsizing Your Life

RetireHow.com is more than just a resource—it's a different way of thinking about retirement for Canadians who want to do more without spending more.

Here's what makes it stand out:

✓ It responds to a real concern.

Nearly 67 percent of Canadians are worried they won't be able to maintain their standard of living in retirement. RetireHow.com offers a practical way forward.

✓ It helps retirees live abroad—comfortably.

The platform introduces affordable, warm-weather destinations like India and other culturally rich countries where day-to-day expenses are much lower than in Canada.

✓ It's not just about cutting costs.

RetireHow.com is helping build communities where retirees can enjoy:

- Their apartment
- Concierge-style support
- Local transportation services
- A lifestyle that's both affordable and fulfilling

✓ It puts real data in your hands.

RetireHow.com is launching a tool that compares the cost of living across destinations using local input. You'll see real-time prices for housing, groceries, healthcare, and more—so you can make informed decisions, not guesses.

✓ It's about retiring well, not just retiring early.

For many people, the goal isn't to stop working as soon as possible. It's to live fully, stay comfortable, and maybe even have a little adventure, without financial stress.

RetireHow.com is offering a fresh, realistic option for people who want to stretch their retirement savings while living somewhere that suits their lifestyle.

Looking at Retirement Benefits Through a Fun Lens

Retirement planning is a serious business. But sometimes, a little humor helps us see things more clearly.

What If Canada Used the U.S. Retirement System?

Picture this: Canada ditches CPP and OAS and adopts **Social Security and Healthcare** instead. Sounds manageable? Maybe. But it wouldn't feel the same.

Now, instead of qualifying through residency or contributions, retirees would need to dig up their **35 highest-earning years**, calculate delayed credits, and understand earnings limits. Welcome to claim calculators, multi-part forms, and waiting on hold with two different agencies.

Even hockey players might start moonlighting as "retirement system coaches"—teaching their buddies how to claim benefits the way they used to explain power plays.

Picture a retired teacher in Winnipeg, spreadsheet open, trying to figure out whether to enroll in Medicare Part B now or delay to avoid the late penalty. Or a senior at Tim Hortons filling out a 12-page form just to get a discount on a small coffee.

Of course, there'd be some perks—like working part-time without losing your benefits. And snowbirds might like the familiarity of one unified system between Canada and the U.S.

But overall, Canadians would likely miss the simplicity of their current setup. The **U.S. system offers more flexibility—but also more red tape.**

Key Takeaways from This Book

Retirement isn't just about having money. It's about **knowing how to use what you have—wisely**. Here's what matters most:

➞ Planning is personal.
Canada offers simplicity. The U.S. offers flexibility. One's not better than the other—it depends on your lifestyle, needs, and goals.

➞ Every system has gaps.
No retirement plan covers everything. In Canada, prescription drugs and long-term care need extra planning. In the U.S., Medicare needs to be supplemented. *Know what's missing.*

➞ Use smart tools.
Sites like **Dollarfar.com** and **RetireHow.com** can help you find the right destination, stretch your income, and avoid common missteps.

➞ Think long-term.
Your health, tax situation, and priorities will change. The earlier you plan for flexibility, the easier it is to adapt.

➞ Stay curious.
Even playful questions like "What if our systems switched?" can reveal what's working—and what needs more attention in your plan.

Whether you're nearing retirement or already there, the key isn't perfection—it's preparation. Use the tools, ask the right questions, and adjust as life changes.

That's how you retire smarter—*wherever you call home.*

References

This guide is based on the most up-to-date information available from official government sources as of 2025. For further details or to verify benefit amounts, visit the original pages below.

🔷 **Canadian Government Benefits**
Government of Canada. *Canada Pension Plan (CPP) – How much you could receive.* https://www.canada.ca/en/services/benefits/publicpensions/cpp/cpp-benefit/amount.html

🔷 **U.S. Social Security and SSI (Canada Agreement)**
Social Security Administration (U.S.). *Canada – Social Security.* https://www.ssa.gov/international/Agreement_Pamphlets/documents/Canada.pdf

For additional retirement calculators, benefit details, and tools, we recommend visiting each agency's official website.

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