Retirement in the USA

Summary sheet: Social Security, 401(k), IRA, Roth IRA, Medicare, and taxes

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How does retirement work in the United States?

The system rests on three complementary pillars: the federal Social Security pension, employer savings (401(k) plans), and individual savings (IRA accounts, traditional and Roth). Medicare adds health coverage for seniors. Your standard of living depends on the mix of these sources, your claiming age, your savings rate, investment performance, and taxes.

Social Security: age, reduction, increase, and strategy

You can claim between 62 and 70. Full retirement age (FRA) is 67 for those born 1960 or later. Claiming at 62 means a permanent reduction; waiting past FRA raises the benefit up to 70. You generally need 40 credits (about ten years of work). Create your my Social Security account to model amounts before you file.

401(k): the main engine of retirement saving

An employer plan funded through payroll deferrals, often with an employer match. For 2026 the employee limit is $24,500, with a catch-up of $8,000 at age 50+ ($11,250 for ages 60 to 63). Watch fees, the fund lineup, the match formula, and vesting. Capture 100% of the match.

IRA and Roth IRA: flexibility and tax optimization

The traditional IRA may be deductible up front and is taxed at withdrawal, with RMDs from age 73. The Roth IRA is funded after tax, qualified withdrawals are tax-free, and it has no RMDs during the owner's lifetime. 2026 limit: $7,500 (catch-up $1,100). Roth eligibility: phase-out $153,000 to $168,000 (single), $242,000 to $252,000 (married jointly). Prefer traditional if you expect a lower rate in retirement, Roth otherwise; a mix diversifies your tax exposure.

Medicare: health coverage and enrollment windows

The main health coverage from age 65. Part A (hospital), Part B (medical), Part C (Medicare Advantage), Part D (drugs). Enrollment follows strict windows; late Part B or D enrollment can mean a lifelong penalty. Forms CMS-40B and CMS-L564 apply to some work-to-retirement transitions.

Retirement taxes: plan before you draw down

Pre-tax withdrawals (401(k), traditional IRA) raise taxable income and can increase Medicare premiums (IRMAA) and the taxation of Social Security. A multi-year withdrawal sequence (brackets, Roth conversions) is often decisive. For France-USA profiles, the France-USA tax treaty calls for specialized help.

Retirement plans at a glance (2026, indicative)

Plan	Offered by	Tax in	Tax out	2026 limit	RMD
Social Security	Federal (SSA)	FICA taxes	Partly taxable	Based on credits	N/A
Traditional 401(k)	Employer	Pre-tax	Taxed	$24,500	Yes (73)
Roth 401(k)	Employer	After-tax	Tax-free	$24,500	No
Traditional IRA	Individual	Deductible	Taxed	$7,500	Yes (73)
Roth IRA	Individual	After-tax	Tax-free	$7,500	No
SEP IRA	Self-employed	Pre-tax	Taxed	Up to $72,000	Yes (73)
SIMPLE IRA	Small business	Pre-tax	Taxed	$16,500	Yes (73)
403(b)	Public / nonprofit	Pre-tax	Taxed	$24,500	Yes (73)

Plan	Offered by	Tax in	Tax out	2026 limit	RMD
457(b)	Government	Pre-tax	Taxed	$24,500	Yes (73)
Solo 401(k)	Self-employed	Pre-tax	Taxed	$24,500 + employer	Yes (73)

French citizens in the USA: the agreement and coordination

France and the United States have a social security agreement (totalization) that avoids double contributions and coordinates rights. Periods paid in both countries may be totalized. On the U.S. side: the SSA (international programs); on the French side: your fund (CNAV, Agirc-Arrco) and CLEISS. Keep your career statements, your French number, and your SSN.

Official U.S. links: forms and steps

Steps: 1) create your my Social Security account; 2) apply for benefits at ssa.gov/apply a few months before your target date; 3) enroll in Medicare during the Initial Enrollment Period (CMS-40B and CMS-L564 for Part B after employer coverage); 4) check limits and rules on irs.gov/retirement-plans; 5) for international cases, contact the SSA and CLEISS.

Frequently asked questions

Q. Can I claim Social Security at 62?

Yes, but with a permanent reduction versus FRA (67). Model it on my Social Security before filing.

Q. Traditional or Roth IRA?

Traditional: possible deduction now, taxed at withdrawal. Roth: no deduction, tax-free qualified withdrawals and no lifetime RMDs.

Q. What is an RMD?

A required minimum distribution from pre-tax accounts starting at age 73; the Roth IRA has none during the owner's lifetime.

Official links (U.S. government and French bodies)

SSA, plan your retirement : https://www.ssa.gov/prepare/plan-retirement

SSA, my Social Security : https://www.ssa.gov/myaccount/

SSA, France-USA agreement : https://www.ssa.gov/international/Agreement_Pamphlets/france.html

Medicare, sign up : https://www.medicare.gov/

IRS, retirement plans : https://www.irs.gov/retirement-plans

IRS, 2026 limits : https://www.irs.gov/newsroom/401k-limit-increases-to-24500-for-2026-ira-limit-increases-to-7500

IRS, Roth IRA : https://www.irs.gov/retirement-plans/roth-iras

CLEISS (France) : https://www.cleiss.fr/