

FREE GUIDE · UPDATED OCTOBER 2026

# Moving abroad on a fixed income: income rules and taxes by country

How Americans with real savings meet high income requirements in Norway, Switzerland, Sweden, Italy, Spain and Malta, where a lifetime annuity helps, and where it does not.

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My mom is Norwegian and my dad is American, and they are planning the move from the US to Norway. Working through the rules with them taught me how many careful savers get stuck on one line in the application: income. I wrote this to help others in the same boat.

Education, not tax, legal or immigration advice. Rules, thresholds and exchange rates change. Confirm with the consulate or immigration authority and a local tax adviser, and get answers in writing. Annuity payments are guaranteed by the issuing insurer's claims-paying ability. Payout figures are illustrations from a published survey, not quotes.

## 1. The problem: savings are not income

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Many residence routes test **income**, not net worth. A couple with a paid-off house and a large brokerage account can still fail a test that asks for a monthly amount that keeps arriving. Norway's immigration directorate (UDI) is explicit: "own funds (money in an account)" do not count toward the income requirement, while "other permanent pensions or periodical benefits (insurance payments or similar)" do. Italian consulates handling elective residence generally do not accept savings either.

A **life-only single premium immediate annuity (SPIA)** converts part of your savings into income that pays for as long as you live. That is the kind of income these tests are written for.

## 2. Rules that hold almost everywhere

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- **Only payouts count.** A deferred annuity (such as a MYGA) that is still growing proves assets, not income.
- **Lifetime wording matters.** Norway, Spain, Panama and Costa Rica want lifelong income. UDI told my family in writing that 5-year or 12-year annuities do not count. The insurer letter should say payments continue "for the lifetime of the annuitant."
- **No cash-out rights.** Spain asks for a life annuity that is "not capitalizable." Choose a plain SPIA without a commutation or liquidity rider.
- **Start payments early.** Many consulates want proof that payments are already arriving. Start them 3 to 12 months before you apply (longer for consulates that want tax returns).
- **Size with headroom.** Many thresholds rise every year and most are set in a foreign currency. Add a 10 to 25% cushion.
- **Buy while you still live in the US.** US insurers sell to US residents in states where they are licensed. Keep a US bank account for the deposits. Since January 1, 2026, a US citizen whose home address is outside the US cannot opt out of federal withholding, even if payments go to a US account (IRC 3405(e)(13), Treas. Reg. 31.3405(e)-1). Withholding is a prepayment, not extra tax.
- **Paperwork pack.** Insurer letter with the monthly amount, lifetime wording and start date; apostille where asked; sworn translation where asked; bank statements showing deposits.

## 3. High-barrier countries at a glance

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| Country / route            | Income test (2026)                                                                                             | Approx. USD/month                                  | Does annuity income count?                                                       | Wealth tax?                                                         |
|----------------------------|----------------------------------------------------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------|
| Norway, family immigration | 3.2 G = NOK 436,957/yr (G = 136,549 from 1 May 2026); pensioner sponsor: NOK 243,759/yr per UDI written answer | \$3,774 (ordinary);<br>\$2,105 (pensioner sponsor) | Yes: "periodical benefits (insurance payments or similar)"; savings do not count | Yes, 1.0% above NOK 1.9M; a US-issued annuity is not taxable wealth |

| Country / route                         | Income test (2026)                                                                                      | Approx. USD/month             | Does annuity income count?                                               | Wealth tax?                                                                                           |
|-----------------------------------------|---------------------------------------------------------------------------------------------------------|-------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| <b>Switzerland</b> , retiree permit 55+ | "Sufficient means," set by the canton                                                                   | Canton-specific               | Annuity income is strong proof; confirm with the canton                  | Yes (cantonal); an annuity in payout with no surrender value is likely outside it, confirm per canton |
| <b>Sweden</b> , family (maintenance)    | From 1 Oct 2026: SEK 13,408/month left after tax and rent (couple)                                      | Depends on rent and tax       | Pensions count; annuities likely, confirm with Migrationsverket          | No                                                                                                    |
| <b>Italy</b> , elective residence       | About EUR 31,000/yr per applicant                                                                       | \$3,023                       | Yes: several consulates name annuities; savings generally not accepted   | No general wealth tax (0.2% IVAFE on foreign financial assets)                                        |
| <b>Spain</b> , non-lucrative visa       | 400% IPREM, about EUR 2,400/month (+EUR 600 per dependent)                                              | \$2,808                       | Yes: "life annuity, not capitalizable"; first-year savings also accepted | Yes; a SPIA does not reduce it (valued at the insurer's reserve)                                      |
| <b>Malta</b> , retirement programme     | No fixed floor; pension at least 75% of chargeable income; 15% tax, minimum EUR 7,500/yr; property rule | Set by tax minimum + property | Yes: statute includes "lifetime or temporary annuities"                  | No                                                                                                    |
| Denmark, spouse reunification           | No income figure; bank guarantee DKK 61,709 (2026)                                                      | n/a                           | Not the issue; an annuity does not solve the Danish test                 | No (property value tax)                                                                               |

FX: USD/NOK 9.6494 (Norges Bank, 2 Oct 2026); EUR = 1.17 USD (approx., Oct 2026). Lower-threshold routes (Panama and Costa Rica \$1,000/month lifetime pension, Belize \$2,000, Portugal D7 EUR 920, Mexico temporary about \$4,400 or a savings route) are on [hansgoldstein.com/moving-abroad/retirement-visa-income-requirements-comparison/](https://hansgoldstein.com/moving-abroad/retirement-visa-income-requirements-comparison/).

## 4. What it costs: premium for \$1,000 of monthly lifetime income

From the ImmediateAnnuities.com payout survey of September 9, 2026 (\$100,000 premium, single life only, monthly):

| Age | Man, best | Man, average | Woman, best | Woman, average |
|-----|-----------|--------------|-------------|----------------|
| 58  | \$635     | \$567        | \$615       | \$550          |
| 65  | \$689     | \$639        | \$660       | \$612          |
| 70  | \$760     | \$714        | \$719       | \$662          |
| 75  | \$882     | \$831        | \$824       | \$773          |

So at 65, each \$1,000 a month of lifetime income costs roughly **\$145,000 to \$157,000** for a man and **\$152,000 to \$164,000** for a woman. Count Social Security and pensions first and buy only the gap, plus a cushion.

**Example (illustrative):** a Norwegian sponsor using the ordinary rule needs about \$3,774 a month. With \$2,400 of Social Security and a 15% cushion, the gap is about \$1,940 a month, which at the 65-year-old male survey average (\$639 per \$100,000) is about \$304,000 of premium. Run your own numbers at [hansgoldstein.com/moving-abroad/#run-my-numbers](https://hansgoldstein.com/moving-abroad/#run-my-numbers).

## 5. Norway: where the annuity shines twice

- **Income test:** utlendingsforskriften § 10-8 (1)(c) counts "pensjon eller andre faste periodiske ytelser." Bank money does not count. UDI also looks at prior-year income: ask UDI in writing how a newly started annuity is treated before you buy.
- **Wealth tax:** Norway taxes worldwide net wealth at 1.0% above NOK 1.9M (2026). Skatteloven § 4-2 (2) brings annuity insurance into the wealth base only if the insurer has (or had) a Norwegian license. Skatteetaten's handbook (Skatte-ABC F-24-2.1) states that an annuity from an insurer never licensed in Norway is not taxable wealth.
- **The trade-off:** Norway taxes the gross payment from such an annuity as income (22% on general income). For many larger estates that is still the better deal. For large amounts, ask Skatteetaten for a binding advance ruling (bindende forhåndsuttalelse).
- **Process lessons from my family:** get UDI's answers in writing (a phone answer was later contradicted in writing); the American spouse applies from the US through the embassy or VFS, not from Norway on a visitor stay; UDI estimated about 17 to 18 months by phone; Norwegian banks offered no true lifetime product (12-year minimum term), which is why a US life-only annuity became the tool; buy it while you still have a US address.
- **Treaty:** US Social Security is taxable only by the US (Art. 19); a private annuity is taxed by the country of residence (Art. 18(2)), and the US still taxes its citizens with a foreign tax credit.

## 6. Wealth-tax countries: does an annuity help?

| Country     | Wealth tax                                           | Annuity in payout valued at                                    | Does a SPIA reduce it?                   |
|-------------|------------------------------------------------------|----------------------------------------------------------------|------------------------------------------|
| Norway      | 1.0% over NOK 1.9M (1.1% over NOK 21.5M)             | Not taxable wealth if the insurer was never licensed in Norway | <b>Yes, eliminates it for that money</b> |
| Switzerland | Cantonal                                             | Cantons use surrender value; none in payout                    | Likely, confirm per canton               |
| Spain       | 0.2% to 3.5% above EUR 700k (regional relief varies) | Insurer's reserve (Ley 19/1991 art. 17)                        | No, though income tax on payments is low |
| Netherlands | Box 3 deemed return taxed at 36% (2026)              | Economic value                                                 | No                                       |

| Country | Wealth tax              | Annuity in payout valued at | Does a SPIA reduce it? |
|---------|-------------------------|-----------------------------|------------------------|
| France  | IFI on real estate only | Outside IFI                 | Not applicable         |

## 7. US tax essentials for a US annuity abroad

- **Exclusion ratio:** with a non-qualified SPIA, part of each payment is a tax-free return of your premium (IRC §72(b)). Example: \$300,000 at 65 paying \$22,500 a year with a 20.0 expected-return multiple: about \$15,000 a year is tax-free for about 20 years.
- **Reporting:** a US-issued annuity is not a foreign account, so it is not on FBAR or Form 8938, and it is not a PFIC. Your foreign bank account is reportable on FBAR once foreign accounts together exceed \$10,000.
- **Double tax:** treaties plus the foreign tax credit generally leave you paying roughly the higher of the two countries' tax, not both. The 3.8% NIIT cannot be offset by foreign tax credits (it applies only above \$200,000 single / \$250,000 joint MAGI).
- **Before 59½:** a non-qualified immediate annuity is excepted from the 10% additional tax (IRC §72(q)(2)(I)), and a life annuity inside an IRA counts as substantially equal periodic payments (IRC §72(t)(2)(A)(iv)). IRA annuity payments are fully taxable as ordinary income.
- **How Europe taxes the payments:** several countries tax only part of a purchased annuity: Spain 8% to 24% of each payment depending on age at first payment (60 and over), Germany's Ertragsanteil (18% at 65), the UK's capital-element exemption. Portugal taxes it at progressive rates (the old NHR regime is closed). Details at [hansgoldstein.com/moving-abroad/how-europe-taxes-us-annuity/](https://hansgoldstein.com/moving-abroad/how-europe-taxes-us-annuity/).

## 8. Trade-offs, said once

A life-only SPIA is irreversible: there is no cash value, and payments stop at death unless you choose a refund or period-certain option (which lowers the payout and may not satisfy lifetime-only rules). Payments are level unless you buy an increasing option, so inflation and currency moves matter. Younger buyers get less per dollar. Payments are backed by the insurer's claims-paying ability, with state guaranty association coverage up to state limits.

## 9. Checklist before you buy

- Get the consulate's or immigration authority's answer in writing: does lifetime annuity income count, and how is a newly started annuity treated?
- Add up guaranteed income you already have (Social Security, pensions) and size the annuity to the gap plus 10 to 25%.
- Choose life-only (or the option the consulate accepts), no commutation rider.
- Buy while you still have a US address; keep the US bank account for deposits.
- Start payments 3 to 12 months before applying; keep statements.
- Order the insurer letter, apostille and translation early.

- Check the host country's tax (and wealth tax) with a local adviser; in Norway consider a binding advance ruling.

**In the same boat?** Send me your country, age, current guaranteed income and savings at [hansgoldstein.com/moving-abroad/#run-my-numbers](https://hansgoldstein.com/moving-abroad/#run-my-numbers), or call or text 213-414-2808. I can help while you live in the US.

## Sources

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UDI, Income requirement in family immigration cases ([udi.no](https://udi.no)); Utlendingsforskriften ch. 10 ([lovdata.no](https://lovdata.no)); NAV, Grunnbeløpet ([nav.no](https://nav.no)); Skatteetaten, wealth tax rates 2026 and Skatte-ABC F-24 Livrenteforsikring ([skatteetaten.no](https://skatteetaten.no)); Skatteloven §§ 4-2, 4-16, 5-41 ([lovdata.no](https://lovdata.no)); US-Norway income tax convention ([irs.gov](https://irs.gov)); Migrationsverket, new rules from 1 October 2026; Ny i Danmark, spouse reunification ([nyidanmark.dk](https://nyidanmark.dk)); Spain LA consulate non-lucrative visa ([exteriores.gob.es](https://exteriores.gob.es)); Italian consulates Boston, Chicago, Detroit, Miami ([esteri.it](https://esteri.it)); Malta S.L. 123.134 ([legislation.mt](https://legislation.mt)); Ley 19/1991 art. 17 and LIRPF art. 25 ([boe.es](https://boe.es)); Swiss DBG art. 22 ([fedlex.admin.ch](https://fedlex.admin.ch)); German EStG §22; UK ITTOIA 2005 s.717; IRS Comparison of Form 8938 and FBAR requirements; 26 U.S.C. §§ 72, 3405; ImmediateAnnuities.com annuity rates by age (survey September 9, 2026); Norges Bank exchange rates.

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