**FOREIGNERS WITH U.S. ASSETS:**

# Tax Traps & Retirement Solutions


**A Strategic Guide for International Investors & Expats**

How to Legally Protect Your U.S. Assets, Minimize Taxes, and Plan for Retirement - No Matter Where You Live

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# Introduction


If you're a foreign national who has ever worked, invested, or inherited assets tied to the United States, you may unknowingly be subject to U.S. tax rules. That includes retirement accounts, U.S. stocks, real estate, and more.

**This guide unpacks:**

- Which U.S. assets create tax exposure for non-residents
- Common traps that trigger surprise taxes and penalties
- Strategic planning tools to legally reduce your liability
- Expert-backed solutions to protect your future

# Understanding Your Exposure

### What Counts as a U.S. Asset?

U.S. assets don't just belong to Americans. They're often tied to:

- Your former employer's retirement plan
- U.S.-based brokerage or bank accounts
- Shares of U.S. companies
- Real estate purchased years ago
- Inheritance from a U.S. citizen

### Common Examples:

- 401(k) or 403(b)
- Traditional or Roth IRA
- RSUs, stock options
- Rental property in the U.S.
- Inherited U.S. accounts

**Quick Tip:** The IRS doesn't care where you live. If the asset originates from the U.S., it's often still taxable in the U.S.

# Tax Trap #1 – Double Taxation Risk

Without a favorable tax treaty, your withdrawals from a U.S. account can be taxed twice:

1. Once by the U.S.
2. Again by your country of residence

**Some treaties help, but many have gaps. And if no treaty exists? Expect the full hit.**


**Solution:** Consult a cross-border tax advisor to determine:

- What your treaty covers
- How to avoid overlapping taxation
- Whether credits can be claimed in your home country

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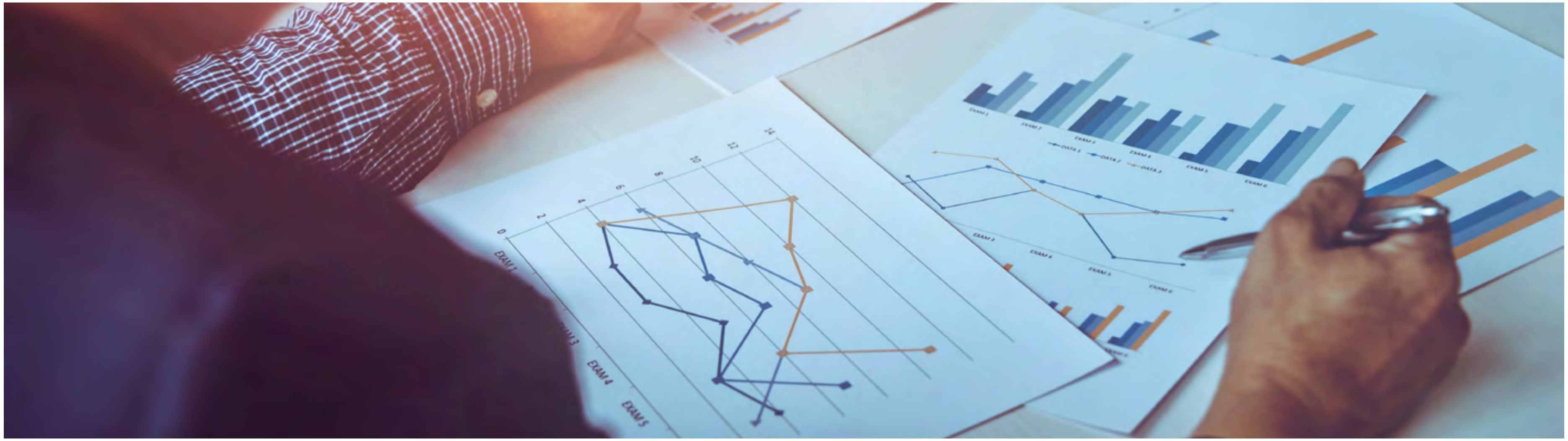
# Tax Trap #2 – Withholding Surprises



If your financial institution doesn’t have the right paperwork, they may withhold 30% from:

- ✔ Dividends
- ✔ IRA distributions
- ✔ Interest income

**That’s money lost if you don’t file properly.**

**Fix It:** Submit IRS Form W-8BEN to claim treaty benefits and reduce withholdin.

# Tax Trap #3 – Estate Tax Exposure

U.S. estate tax kicks in after just **$60,000** of U.S. assets for non-residents.
For citizens, that threshold is $13 million+Big difference.

Your heirs could face:

- **40% estate tax on U.S. holdings**
- **Delays in probate**
- **Legal fees just to access accounts**

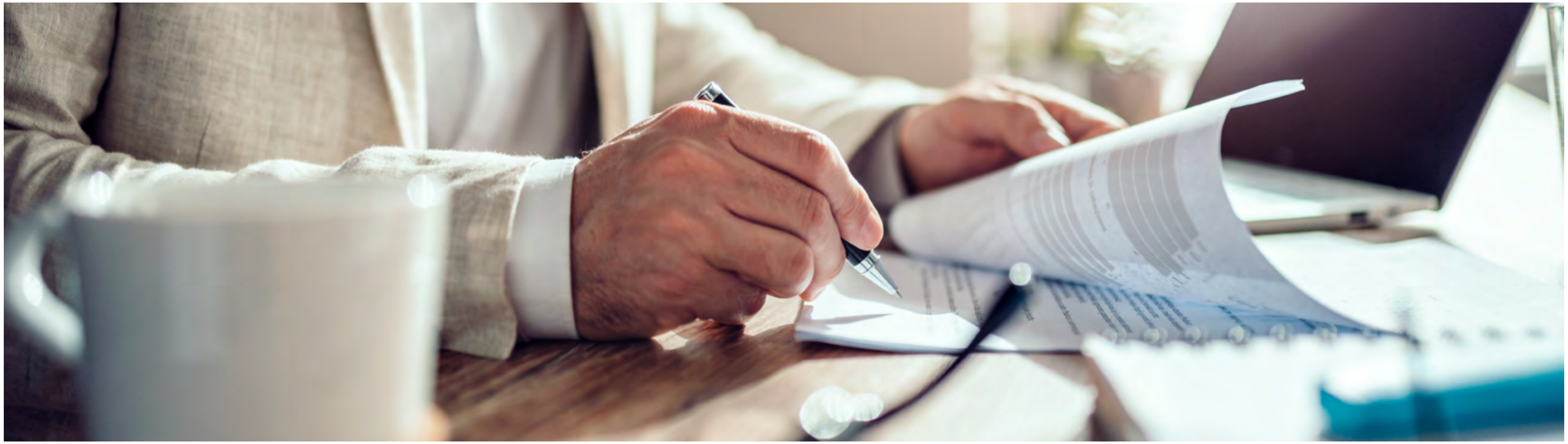
**Solution:** Use planning tools like trusts or holding companies. Don’t leave assets unstructured.

# Tax Trap #4 – Reporting Requirements

There are key IRS forms many non-U.S. people skip—until it's too late.

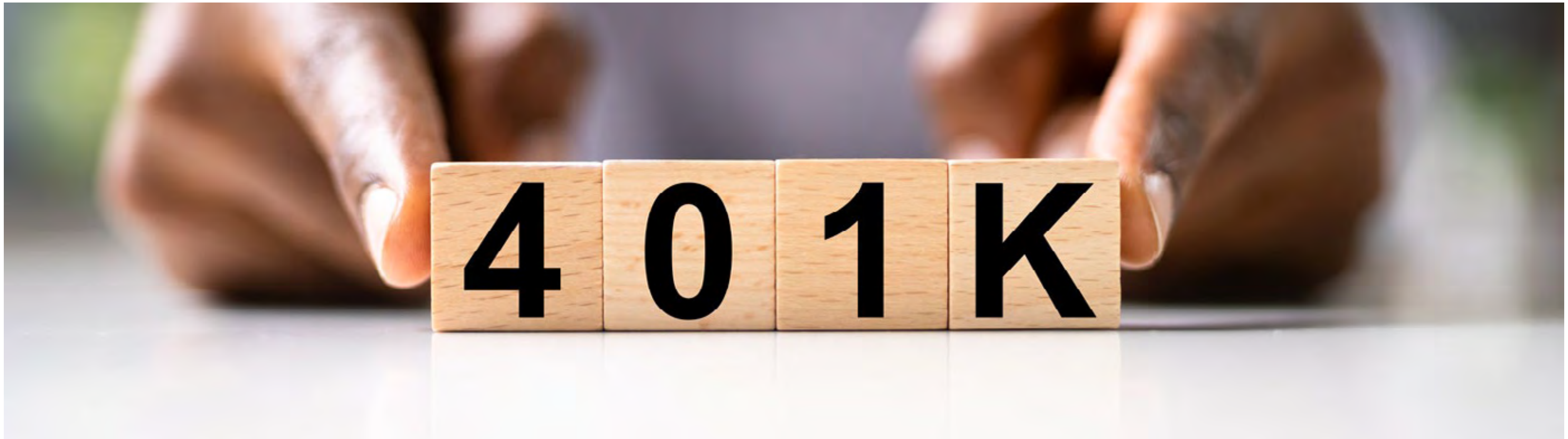
**Key Forms:**

» **1040-NR:** Required for reporting U.S. income
» **W-8BEN:** Claims treaty benefits
» **8938:** Declares foreign accounts (under **FATCA**)



**Real Case:** A Portuguese national inherited an IRA. No W-8BEN filed, no 1040-NR submitted.
**Result:** IRS penalties and frozen distributions.

# Mistake #1 – Leaving a 401(k) Untouched




An old 401(k) might:

- **Revert to high-fee default funds**
- **Trigger 30% tax on withdrawals**
- **Be forgotten during estate planning**

**Strategy:** Consider rolling into an IRA with better control-but do it right, or you could create a taxable event.

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# Mistake #2 – Rolling Into a Local Plan

Transferring a U.S. retirement account into your home country's pension plan often triggers full **U.S. taxation**.

Why? Because the IRS doesn't recognize most foreign pensions as eligible rollover destinations.


**Rule:** Always speak to a U.S.-licensed advisor before transferring retirement accounts.

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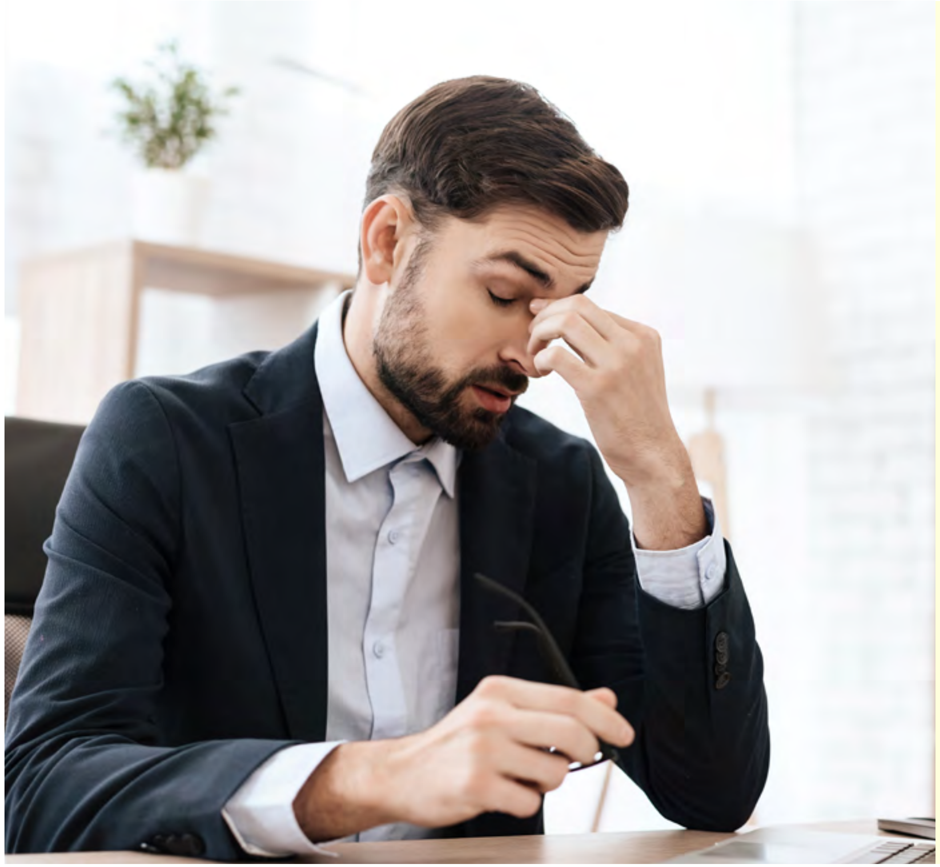
# Mistake #3 – Ignoring Currency Risk



If your investments are **100% USD-denominated**, you're exposed to:

- FX swings
- Local inflation mismatch
- Currency loss on conversion

**Fix:** Diversify with a global strategy. Rebalance periodically with both tax and currency in mind.

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# What You Can Do About It

Work with U.S.-Licensed, Cross-Border Advisors, They'll help with:

- **Filing forms**
- **Managing taxes**
- **Optimizing performance**

File the Right Forms—Every YearAvoid unnecessary withholding and penalties.

Consider Trusts or Holding Structures Especially if:

- **You own real estate**
- **Your account values exceed $60K**
- **You plan to pass assets to heirs**

# Our Referral Process

We connect you to U.S.-licensed professionals who specialize in international cases.

**What you get:**

- Free strategy session
- Help with tax forms (W-8BEN, 1040-NR, etc.)
- Portfolio review & rollover guidance
- Planning for inheritance and estate exposure

**Local Expertise:**

A Portuguese national inherited an IRA. No W-8BEN filed, no 1040-NR submitted. Result: IRS penalties and frozen distributions.

# Client Scenarios (Mini Case Studies)

## Case 1

**German Professional with Old 403(b)**

Optimized withdrawal structure and used tax treaty provisions to cut taxes by 50%.

## Case 2

**Canadian Citizen Inherited U.S. Real Estate**

Used trust structure to eliminate estate tax exposure and simplified title transfer.

## Case 3

**Brazilian Expat Holding RSUs**

Rebalanced portfolio to reduce currency risk and avoid U.S. estate tax.

# Take the First Step

Don’t leave your U.S. assets to chance. You’ve worked hard for what you have. Now make sure it works for you.

## Here’s How:

- Download this guide
- Book your free consultation
- Get matched with an advisor who gets your world

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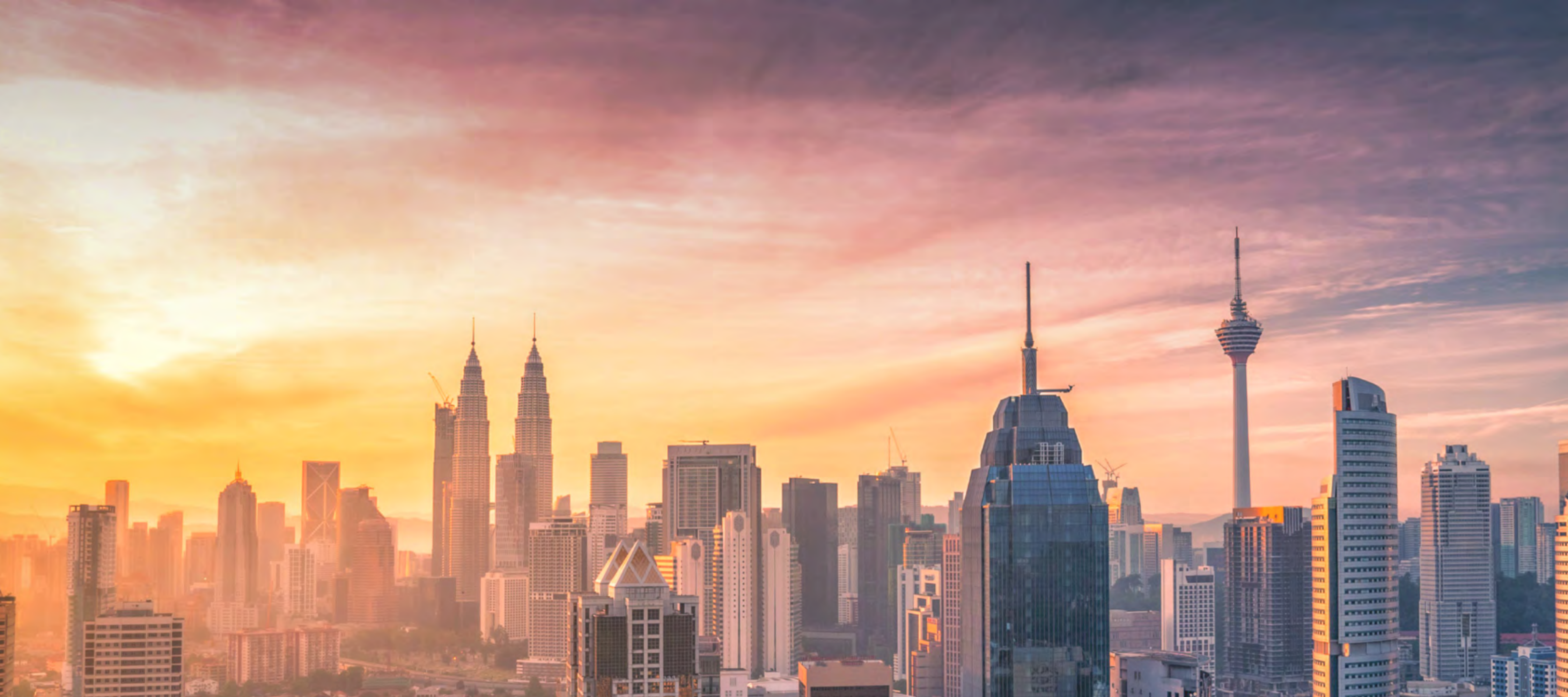

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