

5 Retirement Costs That Often Catch People Off Guard

The best way to handle a surprise expense? See it coming.



No one likes surprises, especially when it comes to retirement expenses. Yet a recent study found that nearly half of retirees say their retirement expenses are higher than expected.

Not because they didn't plan, but because some costs are easy to overlook. Some costs show up gradually. Others hit all at once. Either way, the surprise can derail a retirement people spent decades building.

Here are five real retirement expenses that can be easy to underestimate.



49%

of retirees say their retirement
EXPENSES ARE HIGHER
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Schroders Study Reveals How Retirees Are Responding to the Affordability Crisis", Schroders. May 19, 2025.



1. The Healthcare Expenses Medicare Won't Cover

Linda had been on Medicare for two years when she cracked her tooth. She assumed it would be covered. Instead, she was left with a \$2,100 bill for a crown, entirely out of pocket.

Medicare provides meaningful coverage, but many retirees are surprised by what it doesn't cover. In fact, 58% say they expected Medicare to cover a greater share of their health costs than it does.¹

Some of the most common gaps in standard Medicare include dental, vision, and hearing-related expenses—all of which typically come out of pocket.²

Dental costs in retirement can be meaningful—and often come as a surprise. Here's a look at what some common dental procedures may cost:

Service	Estimated Cost Range
Dental crown	\$800 – \$2,500 ³
Dental bridge	\$2,000 – \$5,000 ⁴
Dentures	\$1,000 – \$28,000 ⁵
Eye exam	\$75 – \$250 ⁶
Glasses	\$100 – \$600 ⁶
Hearing aids	\$2,000 – \$7,000 ⁷

These costs are especially hard to plan for because they are so unpredictable. In any given year, a retiree could face several thousand dollars in out-of-pocket expenses not covered by Medicare.

Note: Medicare Advantage and Medicare supplemental (Medigap) plans may help cover some of these expenses. Coverage varies by plan, so it's worth reviewing options carefully.



2. The Reality of Long-Term Care Costs

When Jim's wife took a fall, the family realized she needed more help at home. Within a week, they were paying \$35 per hour for someone to help—and learned Medicare wouldn't cover it.

Long-term care can be one of the most significant financial risks in retirement yet is often underestimated.

Many people don't like to think about it, but someone turning 65 today has nearly a 70% chance of needing some type of long-term care during their lifetime.⁸

The cost can be substantial and may only be minimally covered by Medicare, if covered at all. Current national costs are about \$80,080 per year for an in-home caregiver, around \$74,400 a year for assisted living, and more than \$129,575 a year for a private room in a nursing home.⁹

Long-term care is so hard to plan for because the need can arise without warning. A fall, a diagnosis, a slow decline, any of these can shift a household from "we're fine" to "we need help now." And when that happens, the costs can take a significant toll on a retirement plan.



3. The Surcharge Surprise: IRMAA

When Tom retired and his income dropped, he assumed some of his monthly costs would, too. Then he got his Medicare premium notice: \$3,400 a year. Welcome to IRMAA.

IRMAA, the Income-Related Monthly Adjustment Amount, is a surcharge that can increase premiums for Medicare Part B and Part D for higher-income retirees. It kicks in at a lower income than many people expect: \$109,000 for single filers and \$218,000 for married couples filing jointly.

The tricky part? IRMAA surcharges are based on your tax return from two years earlier, not your current income. For Tom, that meant his Medicare premiums were still reflecting his higher working salary, even though his income had dropped significantly in retirement. That's a \$3,400-a-year surprise he didn't see coming.

And Tom's situation is just the first tier. Depending on income, IRMAA surcharges can range from roughly \$1,150 to nearly \$7,000 per person, per year. If both spouses are on Medicare, those surcharges apply to each, meaning a couple could face more than \$12,000 a year in added premiums alone.¹⁰

Large Roth conversions or IRA withdrawals can also trigger IRMAA surcharges, another reason to plan the timing of these moves carefully.¹¹



4. The Cost of Keeping up Your Home

The Garcias hadn't thought about their roof in years. Then a water leak led to an inspection and a recommendation for a full replacement. The estimate came in nearly \$10,000 higher than what they'd paid the last time around.

Roofs, furnaces, and HVAC systems can last 15 to 20 years or more, long enough that it's easy to forget they'll eventually need replacement. And with retirements often lasting 30 years or more, major repairs and replacements are usually not a matter of if, but when.

One reason these costs surprise retirees is that they're comparing today's prices to what they paid years or decades ago. But the cost of major repairs and replacements has changed significantly.

Here's how roof and HVAC costs have changed—and could continue to climb—over time.

Home Project	Cost 20 Years Ago	Estimated Cost Today	Future Cost (20 yrs) ¹²
HVAC system ¹³	\$3,000 – \$5,000	\$8,000 – \$15,000+	\$14,500 – \$27,100+
Roof replacement ¹³	\$5,000 – \$8,000	\$12,000 – \$25,000+	\$21,700 – \$45,200+

A retiree may go years without a major homeowner expense; that's what makes these costs so easy to leave out of a plan. When they do hit, they tend to be large, urgent, and surprising.



5. The Cost of Supporting Family Members

What started as occasionally helping with her son's rent slowly became more. A car repair here, a medical bill there. Before long, the support had become a regular part of Carol's spending. Three years later, she found herself thinking about cutting back on travel and eating out—not because of her own expenses, but because of his.

The desire to help your children is a natural instinct. Support may flow to adult children, grandchildren, aging parents, or other loved ones, and in some cases, more than one family member at a time.

The financial impact is often larger than many people realize. Parents who financially support their adult children spend an average of \$1,474 per month doing so. And 60% of parents say they have sacrificed their own financial security for the sake of their children.¹⁴

Caregiving can also be costly. Family caregivers spend about \$7,200 per year out of pocket on average, including expenses such as transportation, medications, and coordinating care.¹⁵

These expenses often start small and grow. But when family support becomes recurring, and emotionally difficult to scale back, it can slowly eat into a retirement plan. The surprise isn't a single expense. It's the moment you realize you're questioning your own financial security.

60%



of parents say supporting adult children has impacted their financial security¹

\$1,474

average monthly support¹

How to Plan for Costs That Are Hard to Predict

It's impossible to predict every retirement expense. That's what makes these five surprise expenses so easy to overlook. But having a conversation about where these costs are most likely to show up can make a meaningful difference. A financial professional can help you look at which of these costs are already reflected in your plan, what assumptions are being made about healthcare, housing, income, and family support, and which risks are most relevant based on your health, family situation, and living arrangements.

Next Step

Make note of one area of costs that may be most relevant to you and bring it to your next conversation with your financial professional.

¹ "Schroders Study Reveals How Retirees Are Responding to the Affordability Crisis", Schroders. May 19, 2025.

² "What's Not Covered", Medicare.

³ "How Much Does a Dental Crown Cost? Average Prices with and Without Insurance", GoodRx. September 3, 2024.

⁴ "How Much Does a Dental Bridge Cost?", GoodRx. September 26, 2022.

⁵ "How Much Do Dentures Cost?", GoodRx. February 20, 2025.

⁶ "Average Cost of Eye Exam and Glasses 2026", Latest Cost. May 28, 2026.

⁷ "How much are hearing aids? Answered by audiologists", Audiologists. October 25, 2025.

⁸ "How Much Care Will You Need?", LongTermCare.gov. February 18, 2020.

⁹ "Calculate the cost of long-term care near you", CareScout. 2025.

¹⁰ CMS, "2026 Medicare Parts A & B Premiums and Deductibles," November 14, 2025.

¹¹ "IRMAA Brackets 2026: What They Are and How They Work", nerdwallet. January 15, 2026.

¹² Assumes 3% inflation.

¹³ "2025 Cost vs Value Report", JLC online. 2025.

¹⁴ "50% of parents financially support adult children, report finds", CNBC. March 25, 2025.

¹⁵ "New Report Reveals Crisis Point for America's 63 million Family Caregivers", AARP. July 24, 2025

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