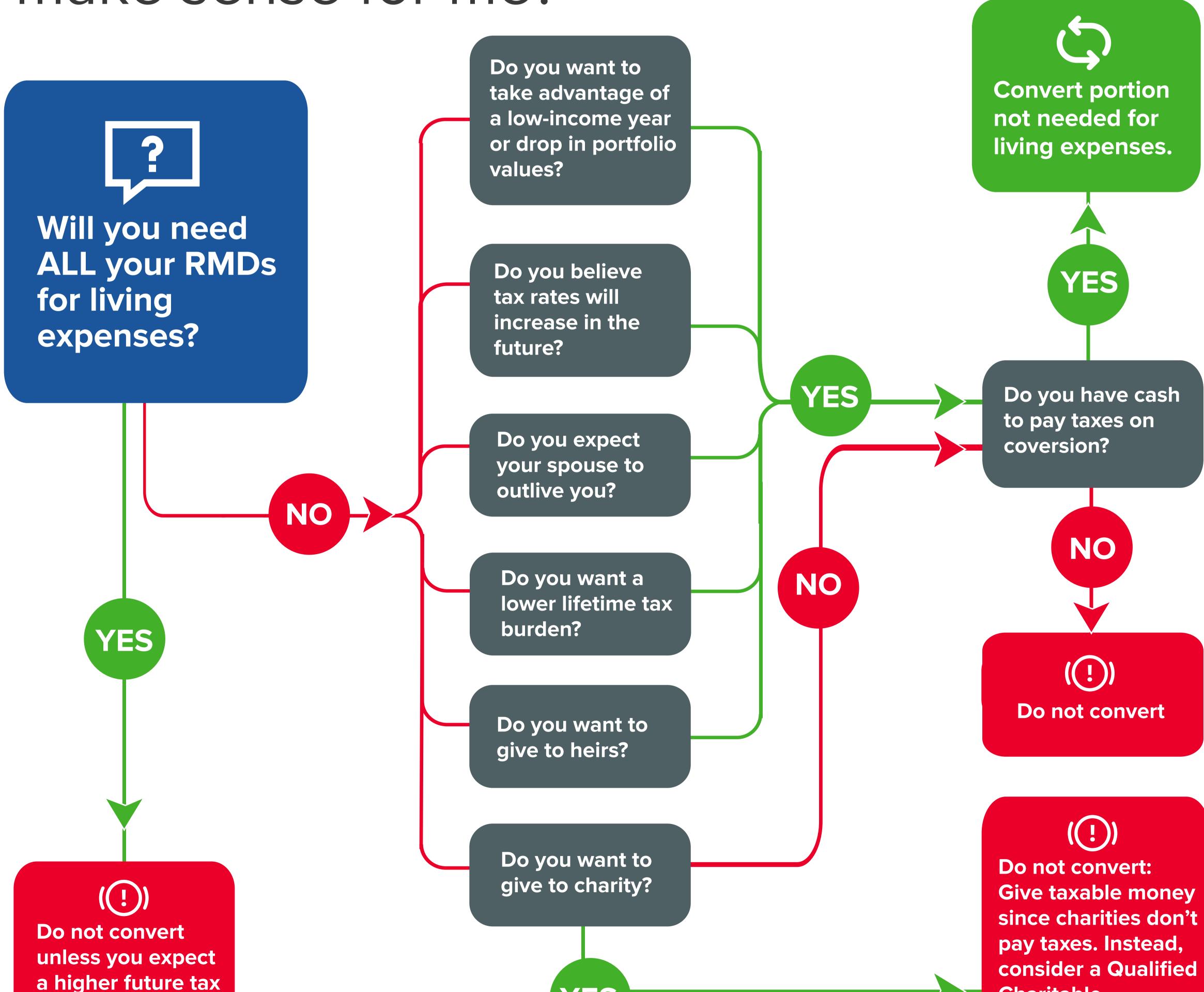
# Roth Conversion:

When, How, Why (... and Why Not)?

# WHEN...

... would a Roth conversion make sense for me?



YES

# HOW... ... do I contribute a Roth?

rate



## If you are early in your career or at

a lower tax rate (but you expect a higher tax rate in retirement) and below the maximum income level, contribute after-tax monies to a Roth IRA.



### Move your existing employersponsored retirement account into

Charitable

Distribution

a Roth IRA or Roth 401(k). Pay taxes on any growth after your original IRA contribution.



## income level, contribute the annual

maximum to a traditional IRA, then convert it to a Roth. Pay taxes on any growth after your original IRA contribution in line with the IRS' IRA aggregation rule.



### contributions, you typically can withdraw those after-tax amounts

without the 10% penalty. So, contribute after-tax income to your 401(k), then distribute the balance into a Roth IRA. Pay tax only on the growth of your original contributions.

### Legacy Planning Taxes To draw income tax-free in To potentially grow tax-free retirement income from gifting

... should I convert to a Roth IRA?

### To eliminate required minimum distributions

To lower your tax bracket on other income

To decrease taxable income

- and reduce Medicare premiums
- WHY NOT...

### taxable estate at death To eliminate taxes on

distributions for heirs.

To reduce the value of your

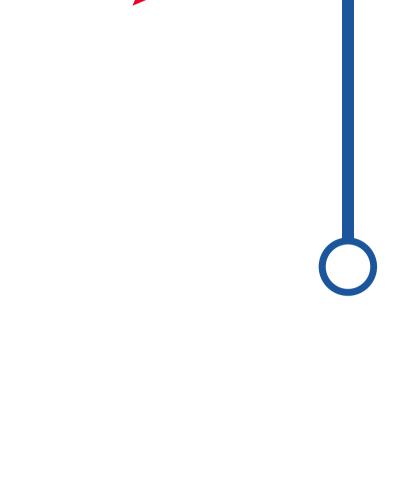
convert your IRA

donate pre-tax money so you don't pay tax on that income and could possibly take a tax deduction for the gift.

Since qualified charities are tax-exempt,

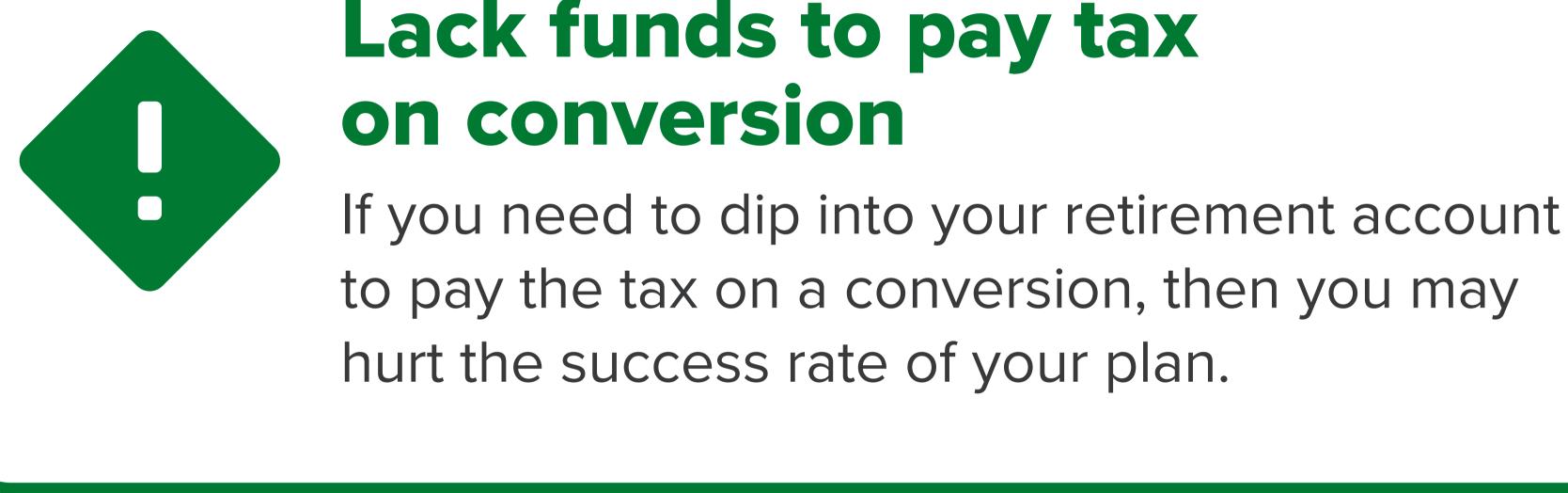
Charitable giving

Some factors to consider before you



# Higher tax rate today

expect in the future, then paying taxes on a conversion today does not make sesne.



to pay the tax on a conversion, then you may hurt the success rate of your plan.

If your tax rate is higher today than you

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