

ROTH IRA CONVERSION



SHOULD YOUCONSIDER A CONVERSION?

- Do you want to leave a tax free financial legacy to your heirs?
- Can you wait 5 years to withdraw?
- Do you think your taxes will be higher in the future?
- Do you have funds to pay the conversion tax?



No income limit to convert an IRA to a Roth IRA.



CONVERSION BENEFITS



Will avoid your lifetime RMD's in a Roth IRA.



The earnings after the conversion grow tax free indefinitely.



No limit to the amount that can be converted.



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CONVERSION DOWNSIDE



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any amount you convert, which could be substantial. into a higher tax bracket, so discuss with your tax advisor. your tax rate is lower in the future. to take tax-free withdrawals, even if you're already **59**½.



HOW TO CONVERT?

I. Contribute to 401(k), 403(b) or IRA while working and in a higher tax bracket.

2. Retire early or change jobs and expect a lower earnings year.

3. Convert your 401(k) or 403(b) to a Traditional IRA.

Y. Convert your Traditional IRA to a Roth IRA (expect to pay taxes).

5. Wait 5 years before withdrawing and watch your account grow. Withdraw tax and penalty free. Or have your Roth continue to grow tax free and leave a tax free account to your family.

Traditional IRA account owners have considerations to make before performing a Roth IRA conversion. These primarily include income tax consequences on the converted amount in the year of conversion, withdrawal limitations from a Roth IRA, and income limitations for future contributions to a Roth IRA. In addition, if you are required to take a required minimum distribution (RMD) in the year you convert, you must do so before converting to a Roth IRA.