

- 1 History of Traditional IRA's
 - Benefits of Traditional IRA's
 - Deduct at higher tax rates while employed
 - Earn Tax Deferred dollars
 - Pay tax at lower rate when retired
 - History of Roth IRA
 - Allows Tax-Free Earnings
 - Limitations for high income individuals
- 2 All retirement plans EXCEPT ROTH's have RMD
 - No Roth distribution required during lifetime
- 3 Taxes Due - Convert & Pay tax on "Non-Basis" Portion
- 4 Taxation of Distributions
- 5 What is it worth? The effects of compounding.
- 6 Distribution required by beneficiary over their life expectancy
- 2009 Roth Conversion Rules
 - Modified AGI < \$100,000
 - 2010+ No AGI Limitation
- 7 Who should Consider Converting?
- 8 2010 Conversion - Pay tax in 2011 & 2012 -- 50% each year.
 - Can elect to pay tax in 2010 instead of spreading over 2 years.
 - What will tax rates be in 2010, 2011 & 2012
- 9 What will the tax rates be when withdrawn?
 - Who will be the person withdrawing?
- 10 (Do you want to make a \$30,000 Roth Contribution?)
 - Maximize your contributions-All \$5,000 limits are not the same.
- 11 Do you want to put more into your retirement plan than you are already doing?
- 12 Consider buying out your partner.

Converting to a Roth has many benefits, but this strategy is not appropriate for everyone. There are tax implications that you will need to consider, and it is strongly recommended that you speak with your tax advisor before making any decisions.

The questions below are designed to help you and your Financial Advisor further explore whether a Roth conversion strategy makes sense for you.

1. Do you have assets invested in IRAs or employer-sponsored retirement plans?	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
2. If you answered yes to Question 1, has the value of those assets declined due to the recent economic downturn?	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
3. Do you anticipate that your tax bracket will be higher in retirement?	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
4. Do you want to leave a tax-free asset to your children or heirs?	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
5. Do you want to potentially reduce the taxable value of your estate?	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
6. Will you have sufficient income from non-retirement-account sources to support you in retirement?	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
7. Do you have tax deductions that exceed your income or nonrefundable tax credits?	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
8. Do you want to increase your tax-free savings as part of your overall portfolio strategy?	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
9. Are you temporarily in a lower income tax bracket?	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
10. Do you have funds outside of your IRA to pay the income taxes that a Roth IRA conversion will trigger?	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO

If you answered “yes” to any of the questions above, you may want to consider a Roth IRA conversion. Your Financial Advisor, together with your tax advisor and others, can help you determine whether this strategy will help you achieve your retirement and other financial goals. When you meet, be sure to bring this worksheet as a starting point for a productive conversation.

- 1 Determine if you are a candidate for Conversion.
See Roth IRA Conversion Questionnaire
- 2 Detail your current FACT situation
WHY is conversion good for you?
- 3 Determine how much tax you are willing to pay
(From funds outside the IRA)
- 4 Have a professional CRUNCH the numbers & concepts
- 5 Determine amount of conversion to approximate Taxes Due
- 6 Consider converting in 2009 - IF allowed
- 7 Consider converting on 1/4/10-(Jumpstart with 2009 IRA Contribution)
- 8 Convert VARIOUS amounts in different Sectors (into different A/C's)
- 9 Over-convert - with the anticipation of Recharacterizations
on lesser performing funds
- 10 File Extension for 1040 on by April 15, 2011
- 11 Pay maximum tax due for 2010
- 12 Recharacterize excess by October 15, 2011
- 13 Determine when it is best to pay tax:
On return for 2010
OR spread between 2011 & 2012
- 14 File 2010 return by October 15, 2011
- 15 This provides you 21 months of investment returns to
decide EXACTLY what you want to do
- 16 Business owners with available funds to contribute-consider Roth 401(k)
General Concepts:
- 17 Review investment mix in your IRA's
- 18 Review your beneficiary designation
(any changes due to divorce, death, etc.?)
- 19 Make sure that you do not have Federal Withholding
taken out on the conversion
- 20 Have separate IRA for beneficiaries of varying ages
(life expectancy for multiple beneficiaries is based on oldest)
- 21 If over age 70 1/2 and making significant charitable contributions,
consider making them from your traditional IRA.