

Financial Security by Design

Planning and Compliance for Individuals, Trusts and Estates

Roth Conversions

The Roth IRA can offer substantial benefits for affluent individuals.

- There is the opportunity to “buy out” the governments’ share of a traditional IRA or pension, thereby reducing future tax on investment earnings.
- The Roth IRA is exempt from the required distribution rules, thereby increasing the time to accrue tax savings before death.
- Conversion increases the after-tax value of inherited IRAs, providing extra benefits for an heir who distributes the IRA over his or her lifetime.

A Roth conversion is not risk free.

- The government could repeal the exemption from required distributions before death or could require rapid distribution of inherited IRAs.
- A conversion will be less attractive if returns disappoint.
- Most conversion calculators do not produce an accurate benefit forecast.

Comparable benefits can often be achieved with lower risk alternatives.

Mr. Lingane discusses the advantages, disadvantages and rules of Roth conversions.

- [Re-Assessing Roth Conversions and Contributions](#), December 2018
- [Roth Conversions: Beyond the Basics](#) - slides.
- [Roth Conversions: Beyond the Basics](#) - text.
- [Rules and Risks of Roth Conversions](#).
- [Should You Convert to a Roth IRA? It Depends on Your Circumstances](#).
- [New From Your Employer: the Roth 401\(k\) Plan](#).

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