
Climbing (And Descending) The Mountain: Why Roth Conversions Matter In Retirement

By: Marc Rogers, Forbes Council Member

Saving for retirement is like climbing Mount Everest. The ascent requires discipline, strategy and years of consistent effort—diligently contributing to 401(k)s, IRAs and other tax-deferred accounts while benefiting from compounding growth.

But the descent can be more dangerous than the climb. In retirement, the challenge shifts from saving to spending. Retirees must safely use the very assets that brought them to the peak without running out of money on the way down. Unexpected “bad weather”—rising taxes, market volatility or healthcare expenses—can derail even the best plans. Without careful planning, the taxes embedded in traditional accounts can jeopardize financial security. This is where Roth conversions become a powerful tool for ensuring a safe descent.



Why Skipping A Roth Conversion Can Be Costly

Many investors focus on accumulation and overlook one of the most important decumulation strategies: the Roth conversion. Moving funds from a traditional IRA or 401(k) to a Roth IRA can reshape your long-term tax picture.

Traditional accounts are funded with pre-tax dollars, meaning every withdrawal is taxed as income. If tax rates rise as many expect, retirees could face higher taxes later. Roth conversions allow you to lock in today's tax rates and create a pool of tax-free income.

From my experience working with retirees, I've seen how adding Roth assets brings flexibility and peace of mind. It allows for income control, reduces surprise tax bills and can protect heirs from inheriting taxable accounts.



RMDs, Income Control And Legacy

At age 73 (increasing to 75 by 2033 under the SECURE 2.0 Act), the IRS mandates withdrawals from traditional accounts, whether you need the income or not. These required minimum distributions (RMDs) can push retirees into higher brackets, increase Social Security taxation and raise Medicare premiums.

Roth IRAs, by contrast, have no RMDs. That freedom gives retirees greater control over when and how to use their money.

Under the SECURE Act, most non-spouse beneficiaries must deplete inherited traditional IRAs within 10 years—often during their peak earning years. This can create a heavy tax burden. Roth IRAs, however, can be passed tax-free, preserving more for future generations.

In addition, Roth IRAs offer a tax-free source of liquidity for emergencies or large expenses, giving retirees more options when markets or laws change.

The Power Of Fixed Index Annuities

Combining Roth conversions with a fixed index annuity (FIA) can strengthen your strategy.

FIA's offer principal protection from market losses and growth potential linked to market performance. They also offer bonus credits that can offset some conversion taxes and guaranteed lifetime income through optional riders.

Together, Roth tax-free growth and an FIA's protection create a retirement plan that balances efficiency and stability.

Marc Rogers, Founder/CEO of Producers Prospect, is a financial advisor, coach and industry leader with over 20 years of experience.

Challenges And Considerations

While powerful, Roth conversions aren't for everyone. Key considerations include:

Immediate tax bill: Converted funds are taxed that year. Converting too much too soon can push you into a higher bracket.

Impact on benefits: Higher income can increase Medicare premiums or Social Security taxation.

Timing: Converting during market dips can reduce taxes owed.

Cash flow: Using IRA funds to pay taxes reduces long-term benefit—ideally use outside money.

Time horizon: The longer funds stay in a Roth, the more beneficial the strategy becomes.

Conversions make the most sense for long-term investors expecting higher taxes or planning to leave assets to heirs.

Practical Takeaways

If you're evaluating a Roth conversion, consider these steps:

- 1. Run the numbers.** Model different scenarios with your advisor or CPA.
- 2. Coordinate your team.** Tax, estate and financial plans should align.
- 3. Time strategically.** The years between retirement and RMD age often provide the best opportunity.
- 4. Watch for policy changes.** Current lower tax rates expire after 2025, making now a favorable window.
- 5. Ask key questions.** These include: How will this affect my tax bracket? What's the ideal conversion amount each year? How does this impact my broader income plan?

The Bottom Line

Climbing the retirement mountain takes years of saving discipline. But descending safely—turning savings into sustainable income—requires strategy and foresight.

By incorporating Roth conversions and pairing them with tools like fixed index annuities, retirees can reduce tax risk, protect principal and create predictable income for life.

It's not just about reaching the summit—it's about ensuring a safe journey back down.



ABOUT MARC ROGERS With A Career Spanning Over Twenty Years, Marc Rogers Started Producers Prospect To Lead The Financial Services Industry Into Its Next Chapter.

Marc Rogers is an established force in the financial services industry. Mentored by Doug McDermott, the founder of The Annuity Store and key designer of one of the first ever fixed index annuity, Marc's drive and knowledge is based in his teachings from industry leaders.

Marc quickly became the top recruiter, and then marketing consultant, at The Annuity Store, and was Marketer of the Year from 2010-2012. Other accolades include top Peak Performer for Allianz from 2010-2018, and top Delaware Life wholesaler from 2018-2019. Throughout his career, Marc has been awarded the Blue award from Allianz in 2016, Platinum in 2014, 2015, 2017, 2018, 2019, and Gold in 2020.

With a personal focus on assisting advisors in building their marketing practices through the introduction of ideas that he has both pioneered, and ideas that he has improved, Marc has raised billions of dollars of assets working closely with advisors to improve their business acquisition strategies.

Marc is a consummate public speaker, and stands ready to help advisors build their business with virtual and in-person consumer education events. He is an accomplished presenter on the most important questions facing consumers: financial stability, sequence of return risk, sustainable withdrawal income planning, and consumer behavioral risk.

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