

MYTHS & TRUTHS ABOUT ROTH CONVERSIONS

WHAT EVERY INVESTOR NEEDS TO KNOW BEFORE TAXES RISE

Roth conversions are widely misunderstood — yet they're one of the most powerful tools for creating tax-free income and long-term predictability. With rising debt, expiring tax laws, and growing RMDs, understanding the facts is essential.

MYTH #1. "A ROTH CONVERSION ONLY WORKS IF TAX RATES GO DOWN."

TRUTH: Conversions are most valuable when tax rates are expected to rise. With current tax laws set to sunset, many Americans may face higher brackets later. A Roth conversion lets you lock in today's tax rates before they increase.

MYTH #2. "I LOSE MONEY BECAUSE I PAY TAXES UPFRONT."

TRUTH: A well-planned conversion can leave you with more income over time. Once converted:

- Growth is tax-free
- Withdrawals are tax-free
- RMDs disappear
- Future tax hikes don't apply

The goal isn't avoiding taxes — it's avoiding higher taxes later.

MYTH #3. "I'M TOO OLD TO BENEFIT FROM A CONVERSION."

TRUTH: Age doesn't disqualify you. Even in your 50s, 60s, or 70s, strategic or partial conversions can:

- Reduce lifetime taxes
- Lower future RMDs
- Help manage IRMAA
- Create tax-free income for heirs

MYTH #4. "A ROTH CONVERSION WILL PUSH ME INTO A HIGHER TAX BRACKET."

TRUTH: Conversions can be designed to stay within your current bracket using:

- Bracket management
- Multi-year strategies
- Low-income years
- Stable-income vehicles during conversion periods

Conversions should be planned — not guessed.

MYTH #5. "RMDs ARE UNAVOIDABLE."

TRUTH: Roth IRAs have zero RMDs for the owner. Eliminating RMDs can mean:

- Lower taxable income
- Lower Medicare premiums
- More spending flexibility
- A more efficient legacy



WHY ROTH CONVERSIONS MATTER NOW

- Tax rates are scheduled to rise
- National debt is at historic highs
- Retirees need more long-term income
- Many savings are trapped in taxable accounts
- Market volatility boosts the value of tax-free income

The question isn't "Should I convert?"

It's "How much — and when?"



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