

ROTH IRA CONVERSIONS in 2010 and Beyond

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Chapter 1

Roth IRA Conversions In 2010 and Beyond

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ROTH IRA CONVERSIONS

In 2010 and Beyond

BACKGROUND

Roth IRA's were first established under the Taxpayer Relief Act of 1997 which added I.R.C. §408A to the Internal Revenue Code as a new retirement savings vehicle. Unlike traditional Individual Retirement Accounts ("IRAs"), distributions from which are subject to ordinary income tax, certain "Qualifying Distributions" received from Roth IRAs are tax-free. In addition to making annual regular contributions to Roth IRAs, individuals may also make qualified rollover contributions, including conversions of traditional IRAs to Roth IRAs. Under the Tax Increase Prevention and Reconciliation Act of 2005, conversions of traditional IRAs to Roth IRAs in 2010 and beyond are no longer subject to the Adjusted Gross Income ("AGI") threshold which applied up until 2009. Thus, certain individuals who otherwise never qualified to convert a traditional IRA to a Roth IRA will be eligible beginning in 2010. The purpose of this outline is to discuss the rules applicable to the conversion and the factors which must be considered in making the determination whether the conversion will be beneficial to the individual.

GENERAL RULES GOVERNING ROTH IRAS

ANNUAL CONTRIBUTIONS

MAXIMUM DOLLAR AMOUNTS

The maximum annual amount that an individual may contribute to a Roth IRA is equal to the lesser of (1) \$5,000 or (2) 100% of the IRA owner's annual compensation, less any contributions made by the individual to a traditional IRA for that year. In years after 2001, taxpayers who are age 50 and over by the end of the year are eligible to make additional catch-up contributions. The maximum annual contribution thresholds for both regular and catch-up contributions are as follows:

<u>Year</u>	<u>Amount</u>	<u>Catch-up</u>	<u>Total</u>
1997	\$2,000	n/a	\$2,000
1998	\$2,000	n/a	\$2,000
1999	\$2,000	n/a	\$2,000
2000	\$2,000	n/a	\$2,000
2001	\$2,000	n/a	\$2,000

<u>Year</u>	<u>Amount</u>	<u>Catch-up</u>	<u>Total</u>
2002	\$3,000	\$500	\$3,500
2003	\$3,000	\$500	\$3,500
2004	\$3,000	\$500	\$3,500
2005	\$4,000	\$1,000	\$5,000
2006	\$4,000	\$1,000	\$5,000
2007	\$4,000	\$1,000	\$5,000
2008	\$5,000	\$1,000	\$6,000
2009	\$5,000	\$1,000	\$6,000
2010	\$5,000	\$1,000	\$6,000

PHASE-OUTS

The above dollar limits are phased-out between certain levels of Modified Adjusted Gross Income ("MAGI"). Generally, for traditional IRA purposes, MAGI is computed as follows:

AGI

- + Interest on Educational U.S. Savings Bonds
- + Employer - Paid Adoption Assistance
- + Student Loan Interest
- + Qualified Tuition and Related Expenses
- + Foreign Earned Income and Housing Exclusion
- + IRA Contribution Deduction

Modified Adjusted Gross Income

For Roth IRA purposes MAGI is determined in the same manner as AGI for traditional IRAs, except any amount included in gross income from the qualified rollover of an amount from a traditional IRA to a Roth IRA is not taken into account. Amounts included in income as required minimum distributions are also excluded for purposes of the MAGI limitation. The effect of the MAGI limitation is that the maximum contribution to a Roth IRA begins to be phased-out with MAGI at the levels indicated below:

<u>Year(s)</u>	<u>Unmarried</u>	<u>Married Filing Joint</u>	<u>Married Filing Separate</u>
1997 - 2006	\$95,000	\$150,000	\$0
2007	\$99,000	\$156,000	\$0
2008	\$101,000	\$159,000	\$0
2009	\$105,000	\$166,000	\$0
2010	\$105,000	\$167,000	\$0

The amount of the reduction is computed by multiplying the individual's maximum IRA contribution for the year by a fraction, the numerator of which is the participant's MAGI minus the participant's applicable

dollar limit indicated above and the denominator of which is \$15,000 (\$10,000 for joint returns or a married individuals filing a separate return).

Maximum Contribution x MAGI - Dollar Limitation

\$15,000

As a result of the reduction, an individual's ability to make a contribution to Roth IRA is completely phased-out as follows:

<u>Year(s)</u>	<u>Unmarried</u>	<u>Married Filing Joint</u>	<u>Married Filing Separate</u>
2009	\$120,000	\$176,000	\$10,000
2010	\$120,000	\$177,000	\$10,000

CONVERSIONS

In addition to making regular annual contributions to Roth IRAs, individuals may rollover amounts from a traditional IRA to a Roth IRA under certain circumstances without any penalties.

PRE-2010

Prior to 2010, only individuals whose (1) AGI for the taxable year the distribution was made did not exceed \$100,000 and (2) who did not file as married filing a separate return were eligible to do a conversion.

POST 2009

Effective for taxable years beginning after December 31, 2009, the \$100,000 AGI limit on Roth IRA conversions is repealed and individuals may make IRA conversions without regard to their AGI. In addition, for taxable years beginning after December 31, 2009, married taxpayers filing a separate return may also make Roth IRA conversions.

MANNER

There are several ways in which a conversion can be structured.

- A qualified rollover contribution can be taken as an amount distributed from a traditional IRA to a Roth IRA.
- A conversion of a traditional IRA to a Roth IRA can be completed through a trustee-to-trustee transfer from a traditional IRA of one financial institution to the Roth IRA of another financial institution or by transferring the assets of a traditional IRA to a Roth IRA within the same financial institution.
- Beginning in 2008, distributions from qualified retirement plans, 403(b) plans and governmental §457 plans may rolled over directly into a Roth IRA. However, the individual must be entitled to receive a distribution from such a plan in order to do a conversion.
- An amount in a SEP IRA can be converted to a Roth IRA.

- An amount in an individual's SIMPLE IRA also can be converted to a Roth IRA as long as the conversion is made after the two year participation period required under SIMPLE IRAs has expired. Required minimum distributions cannot be converted in any case. If a trustee-to-trustee transfer is made, the conversion may not take place until the required minimum distribution for the year has been taken. In the case of a rollover distribution, the required minimum distribution must be excluded from the contribution to the Roth IRA.

There is no limit on the number of conversions that can be done by an individual in a year.

INCOME TAXATION

Any amount that is converted to a Roth IRA must be included in income in the year that the conversion is completed unless the individual has basis in the amount converted. If an individual has basis in any IRA (even if the basis is not in the IRA that is being converted) then a conversion from any IRA will result in a portion of the amount distributed being excluded as a return of basis. This is regardless of whether the individual is able to specifically designate the IRA which is being converted as having basis. The amount of basis to be allocated to the amount converted is computed as follows:

Total Basis in all IRAs

Year End Balances + Distributions + Incomplete Rollovers x Distributions

Individuals whose basis in after-tax traditional IRAs exceeds the amount distributed when all after tax traditional IRAs have been distributed (or converted) can take the loss as a miscellaneous itemized deduction, subject to the 2% floor.

In order to induce taxpayers to complete the conversion in 2010 when the AGI limitations are repealed, unless a taxpayer elects otherwise, the amount includible in gross income as a result of the conversion is included in income ratably in 2011 and 2012. Thus, under the default rule, any income from a conversion occurring in 2010 will result in 50% of the conversion amount being included in taxable income in 2011 with the remaining 50% being included in income in 2012. In the event any of the amounts converted are distributed to the individual before 2012, the income inclusion is accelerated by the amount distributed and the amount included in income in 2012 (from 2011 and 2012 in the case of a distribution in 2010) is the lesser of 1) half of the amount includible in income as a result of the conversion, or 2) the remaining portion of such an amount not already included in income. Thus, individuals should consider the likely increase in income tax rates for high income earners in 2011 and 2012. The table below shows the amount of pretax rate of return that must be earned in order to make the deferral worthwhile to individuals based on various increases in income tax rates:

	<u>Marginal Tax Rate</u>	<u>Amount</u>	<u>Marginal Tax Rate</u>	<u>Amount</u>
Distribution in 2010		\$100,000		\$100,000
Tax in 2010*	35%	\$35,000	35%	\$35,000
Tax in 2011*	40%	\$20,000	45%	\$22,500

Tax in 2012*	40%	\$20,000	45%	\$22,500
Rate of Return Required Compounded Monthly		9.003%		17.116%

*Assumes tax is paid April 15 of following year

Consideration should also be given to the individual's state income taxes.

RECHARACTERIZATION

Both regular contributions and conversions may be later recharacterized as traditional IRA contributions at the election of the taxpayer. In order to be eligible, the individual is not required to have failed any of the eligibility requirements. Thus, an individual who simply changes his or her mind on the conversion or contribution to a Roth IRA may later recharacterize the Roth contribution or conversion as a traditional IRA contribution. This also provides a safety valve to taxpayers who ultimately do not meet the eligibility requirements for contributions or conversions but which have already contributed or converted the amount to the Roth IRA. However, not all contributions may be recharacterized. Specifically, amounts that were tax free transfers to the first IRA cannot be treated as a recharacterized contribution to a second IRA. In addition, employer contributions, including elective deferrals, under a SEP IRA or a SIMPLE IRA, may not be recharacterized to another IRA.

MANNER

An individual may elect to recharacterize a contribution made to one type of IRA by having the IRA transferred by a trustee-to-trustee transfer to a different type of IRA. Second, the IRA assets can be transferred between two IRAs of a single financial institution. For income tax purposes, the amount recharacterized to the second IRA is treated as having been originally contributed to the second IRA on the same date and for the same taxable year that the contribution was made to the first IRA from which the assets are being transferred.

ELECTION

In order to make the election to recharacterize, the taxpayer must notify in writing, on or before the date of the transfer, both the trustee of the first IRA and the trustee of the second IRA that the individual is electing to treat the contribution as being made to the second IRA instead of the first IRA. The trustee must also make the actual transfer or account redesignation. The election to recharacterize may be made on behalf of a deceased IRA owner by his or her executor, administrator or other person charged with the duty of filing the decedent's final federal income tax return.

TIMING

The recharacterization must be made on or before the due date, including extensions, of the tax return for the year in which the original IRA contribution was made. In addition, the taxpayer must timely file its income tax return for that year. Thus, individual income taxpayers have until October 15th of the year following the year for which the contribution or conversion was made to elect to recharacterize the contribution or conversion. This is regardless of whether or not the

individual taxpayer actually filed for an extension of time, as long as the return was timely filed. There is no limit on the amount of recharacterizations that can be done by an individual in a year.

AMOUNT

The amount that is recharacterized is required to be adjusted for earnings and losses. The amount of earnings and losses is determined by allocating to the contribution that it is being recharacterized a prorata portion of the actual earnings and losses of the IRA during the period the IRA held the contribution.

RECONVERSIONS

Individuals who have recharacterized a Roth IRA contribution or conversion back to a traditional IRA may “reconvert” that amount back to a Roth IRA. The reconversion cannot be done before the later of 1) the beginning of the tax year following the tax year in which the original conversion to a Roth IRA was made or 2) the end of the 30 day period that begins on the day on which the IRA owner makes the recharacterization transfer from the Roth IRA to a traditional IRA. If the reconversion is made before the later of the beginning of the next taxable year or the end of the 30 day period that begins on the day of the recharacterization, the recharacterization will be treated as a failed conversion, which can be corrected through a recharacterization back to a traditional IRA. Failed conversions that result from a failure to satisfy the statutory requirements for conversions are treated as conversions in determining when an IRA owner may make a reconversion. As an example, assume an individual converts an amount from a traditional IRA to a Roth IRA on January 1, 2010. The individual decides to recharacterize the conversion to a traditional IRA on September 1, 2010. In this case, the individual may not reconvert that amount before January 1, 2011.

DISTRIBUTIONS

QUALIFIED DISTRIBUTIONS

Generally, distributions from Roth IRAs that are deemed to be “Qualified” distributions are not subject to income taxes. In order to be a “Qualified” distribution, the distribution must meet the following requirements:

- The distribution must be made after a five taxable year period which begins on the first day of the individual’s taxable year for which the individual or the individual’s spouse first make a Roth IRA contribution, or if earlier, the first day of the individual’s taxable year in which the first conversion contribution is made to any Roth IRA of the individual. The five taxable year period ends on the last day of the individual’s fifth consecutive taxable year beginning with the taxable year computed as stated above. The five taxable year period, for determining whether a distribution is qualified, is not recalculated when the Roth IRA owner dies.
- The Distribution must be made:
 - on or after the date the individual attains age 59^{1/2} ;
 - is made to a beneficiary or to the estate of the individual on or after the death of the individual;

- is attributable to the individual being disabled as defined in I.R.C. §72(m)(7); or
- is a qualified first time home buyer distribution.

Any distribution that does not meet the requirements above to be classified as a qualified distribution is a non-qualified distribution.

NON-QUALIFIED DISTRIBUTIONS

Non-qualified distributions are includible in the individual's gross income to the extent that the distribution, when added to the amount of all previous distributions to the owner's Roth IRAs and reduced by the amount of those prior distributions previously includable in gross income, exceeds the owner's contributions to all of his or her Roth IRAs. Thus, contribution amounts generally can be recovered before taxable earnings are distributed.

Distributions may also be subject to the 10% penalty on early withdrawals, unless an exception applies. The 10% tax on early withdrawals is applied to earnings included as a part of a non-qualifying distribution, unless the amount being distributed as a non-qualified distribution is from a conversion and the non-qualified distribution is being made prior to the expiration of a five year period that begins with the taxable year of the conversion in which case the entire amount distributed is subject to the 10% tax on early withdrawals.

Non-qualifying distributions are subject to ordering rules which provide that any amount distributed from an individual's Roth IRA is treated in the following order determined as of the end of a tax year and by exhausting each category before moving to the next category:

- regular contributions
- conversion contributions, on a first-in first-out basis
- earnings

In order to determine the source of distributions, the following rules are applied:

- Distributions from all of the individual's Roth IRA's made during a tax year are aggregated.
- All regular contributions made for the same tax year to all of the individual's Roth IRAs are aggregated and added to the undistributed total regular contributions for the prior tax years. Regular contributions for a year include contributions made during the following tax year that are identified as being allocated to the prior tax year.
- All contributions received during the same tax year by all of the individual's Roth IRAs are aggregated.
- A distribution from a Roth IRA that is rolled over to another Roth IRA is disregarded for purposes of determining both contributions and distributions.
- Any amount distributed as a corrective distribution is disregarded in determining the amount of contributions, earnings and distributions.

REQUIRED MINIMUM DISTRIBUTIONS

During the lifetime of the individual who established the Roth IRA, the Roth IRA is not subject to the required minimum distribution rules that apply to traditional IRAs and employer sponsored retirement plans. After the owner's death, the Roth IRA is then subject to required minimum distributions. These rules will require that the entire interest in the Roth IRA must be distributed by the end of the fifth calendar year after the year of the owner's death, unless the interest is payable to a "designated beneficiary" in which case it can be distributed over a period not greater than the beneficiary's life expectancy and the distribution must begin before the end of the calendar year following the year of the owner's death. If the sole beneficiary is the decedent's spouse, the decedent's spouse may delay distributions until the decedent would have attained age 70^{1/2} or the surviving spouse may treat the Roth IRA as his or her own.

ECONOMIC ANALYSIS – REVENUE RAISER OR TAXPAYER OPPORTUNITY

LEGISLATIVE BACKGROUND

The provision contained in the Tax Increase Prevention and Reconciliation Act of 2005 which eliminated the income limitations on IRA conversions was part of the legislation which reduced rates of tax on capital gains and dividends and also provided alternative minimum tax relief for individual taxpayers. The Congressional Budget Office estimated that the legislation would reduce federal revenues by 70 billion dollars over the 2006 to 2010 period and by 69.1 billion dollars over the 2006 to 2015 period. However, there were several provisions contained in this legislation which actually increased revenues over the 10 year period. Specifically, the Joint Committee of Taxation estimated that eliminating the income limitations on Roth IRA conversions would produce 6.4 billion dollars of additional revenue with the majority of this revenue being received in 2011 and 2012. Thus, the intention of this provision was to accelerate federal revenues which would otherwise be earned in later years through the payment of taxes on conversions of traditional IRAs and retirement plan accounts to Roth IRAs. According to the Employee Benefit Research Institute, in 2005 the amount of money held in IRAs was 3.67 trillion dollars, defined benefit plans held 2.15 trillion dollars and defined contribution plans held 2.97 trillion dollars. Thus, there was a total of 8.79 trillion dollars held in tax deferred retirement plans in 2005. This consists of a major source of income tax revenue for the government in future years as distributions are taken. Although the clear intention of the provision is to accelerate the receipt of this otherwise deferred revenue, there are circumstances in which conversion will be beneficial for individuals.

THE FACTORS

Unfortunately, there is no single factor or formula that can be utilized to determine whether conversion from a traditional IRA to a Roth IRA makes sense for an individual. Rather, there are a myriad of factors that must be considered. In addition to there being a myriad of factor, the analysis depends on the individual's assumptions for not only rates of return but also for future tax rates and earning power of the individual. Thus, each of the below listed factors must be analyzed in the context of each individual's assumptions and willingness to assume certain risks. The factors to be considered are 1) the individual's ability to pay the conversion income taxes from non-IRA sources, 2) the individual's current and future income tax rates, 3) the lifetime spending intentions of the retirement assets, 4) who will be the ultimate

beneficiaries of the retirement plan assets and 5) whether or not the individual's estate will be subject to federal or state estate and inheritance taxes. Each of these factors is discussed in detail below.

ABILITY TO PAY CONVERSION INCOME TAXES FROM NON-IRA SOURCES

Although all factors must be considered, the single most important factor is the individual's ability to pay the income taxes due as a result of the conversion from assets outside of the assets that are being converted. The reason is that by paying the taxes with outside assets the individual is able to obtain tax-free growth on the assets, the growth on which would otherwise be subject to income taxes. Tax-free compounding will always equal or exceed tax-deferred compounding.

As an example, assume an individual, age 45, has the following assets:

Traditional IRA (pre-tax)	\$300,000
Savings Account (after-tax)	<u>\$150,000</u>
Total	\$450,000

If the individual converts the traditional IRA to a Roth IRA, assume the individual will incur the following income tax in the year of conversion:

Traditional IRA Conversion	\$300,000
Income Taxes Due (35%)	\$105,000

Thus, after the conversion the individual has the following assets, assuming the tax is paid from the savings account:

Roth IRA	\$300,000
Savings Account	<u>\$45,000</u>
Total	\$345,000

At age 70, assuming (1) the individual had not done the conversion, (2) the individual earned a 7% rate of return on the Traditional IRA assets, (3) is in the 28% marginal tax bracket and thus earned a 5.04% after-tax annual rate of return on the Savings Account, the individual would have the following assets:

Traditional IRA (7%)	\$1,628,230
Savings Account (5.04%)	<u>\$512,813</u>
Total	\$2,142,043

Assuming the entire Traditional IRA is distributed at age 70 and taxed at 35%, the individual would incur \$569,880 of income tax and would have the following assets:

Net Distribution from Traditional IRA	\$1,058,350
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Savings Account	<u>\$512,813</u>
Total	\$1,571,163

At age 70, using the same assumptions as immediately above except that the individual completed the conversion at age 45 and paid the tax from the Savings Account, the individual would have the following assets:

Roth IRA (7%)	\$1,628,230
Savings Account (5.04%)	<u>\$153,844</u>
Total	\$1,782,074

At age 70, using the same assumptions as immediately above except that the individual completed the conversion at age 45 and paid the tax from the amount converted, the individual would have the following assets:

Roth IRA	\$1,058,350
Savings Account	<u>\$512,813</u>
Total	\$1,571,163

	<u>SUMMARY</u>		
	<u>No Conversion</u>	<u>Conversion and Tax Paid with Outside Funds</u>	<u>Conversion and Tax Paid from IRA</u>
Net IRA/Roth IRA	\$1,058,350	\$1,628,230	\$1,058,350
Savings	<u>\$512,813</u>	<u>\$153,844</u>	<u>\$512,813</u>
	<u>\$1,571,163</u>	<u>\$1,782,074</u>	<u>\$1,571,163</u>

Thus, to the extent that individuals can afford to take assets outside of the converted assets to pay the income tax, the conversion allows the individual to contribute more dollars to the Roth IRA, thus allowing more money to benefit from the tax-free growth. Further, the longer the time horizon that the assets can remain growing in the tax-free environment provided by the Roth IRA, the more advantageous the conversion will be to the individual.

CURRENT V. FUTURE INCOME TAX RATES

An individual who is considering converting a traditional IRA or retirement plan to a Roth IRA must consider the individual's current tax rate as compared to the individual's anticipated future tax rates at the time the money will be withdrawn from the account. Assuming a constant tax rate during periods of accumulation and distribution, one would think an individual would be indifferent to the conversion. However, as demonstrated above a simple analysis which considers only current and expected income tax rates is flawed. One of the main benefits of the Roth IRA is not only the tax-free distribution of assets but also the tax-free accumulation of the assets once they are placed in the Roth IRA. Thus, even assuming constant rates, since the Roth earns tax-

free income on funds which would otherwise be held outside of tax deferred accounts and will generate taxable income, the Roth account will always at least equal or exceed the value of the after-tax account.

As the example above demonstrates, assuming constant tax rates on the distributions, a conversion can still be beneficial to individuals if the tax is paid with outside assets. In addition, the taxpayer is able to absorb a decrease in income tax rates as a result of the tax-free compounding in the Roth IRA.

- Using the assumptions from the example above, if the tax rate when the distribution is taken at age 70 is 22.0466% rather than 35%, the individual would have the following assets:

Traditional IRA	\$1,269,261
Savings Account	<u>\$512,813</u>
	<u>\$1,782,074</u>

Therefore, in the event the individual's actual tax rates are higher than on the date of conversion, the individual will still come out substantially ahead as compared to forgoing the conversion. In addition, the opportunity to achieve tax-free earnings, also helps individuals who expect to be in a lower tax bracket when receiving distributions.

LIFETIME SPENDING OF RETIREMENT PLAN ASSETS

The above factors all highlight the benefit of a longer period of deferral for the assets contained in the Roth IRA. Therefore, an individual must take into consideration lifetime spending of the retirement plan assets. Specifically, the individual must consider whether the assets held in the retirement plan will, in fact, be used to provide an income stream to the individual during his or her retirement. The depletion of the Roth IRA assets while the individual is alive, will require the analysis to consider more heavily the individual's ability to pay the conversion taxes from outside assets and current and expected income tax rates during the periods of withdrawal. This is because the funds held in the Roth IRA may have a significantly shorter period of time to accumulate tax-free earnings. Further, to the extent that certain traditional IRA assets will not be required to fund expenses during retirement and the individual would only otherwise take his or her required minimum distributions, this will favor a conversion of those assets not needed to fund retirement expenses to a Roth IRA.

WHO ARE THE BENEFICIARIES?

In determining periods of withdrawal in the analysis, it is also important to consider the needs of the ultimate beneficiaries of the retirement plan assets upon the death of the account owner. If it is expected that the beneficiary, whether it be the spouse, child or grandchild, would expend or receive the funds immediately after death of the account owner, the benefit of the tax deferred growth is significantly diminished making the conversion less attractive to the individual. On the other hand, if younger beneficiaries are named beneficiaries of the converted Roth IRA accounts, the longer period of growth will add substantial benefits to the extent the beneficiary takes distributions over his or her extended life expectancy. There is no better asset for a beneficiary to inherit than a Roth IRA. This is a direct result of the fact that distributions are not subject to

income tax and the money can continue to grow tax-free. Conversely, if the individual is naming charitable beneficiaries as the beneficiaries of his or her retirement plan account, conversion would not make sense as the account will ultimately be distributed tax-free to the charity upon the death of the individual.

ESTATE TAXES

Individuals who have estates that are subject to federal and state estate or inheritance taxes can achieve significant estate tax savings through the conversion of a traditional IRA to a Roth IRA. The additional savings stems from the fact that the income tax paid on the conversion will be completely removed from the individual's estate. If the individual had not completed the conversion, the full value of the traditional IRA is included in his or her estate. Thus, the distributions taken by beneficiaries will be subject not only to income tax, but the value of the account would have also been subject to estate tax at the time of the individual's death. Although there is an income tax deduction for estate taxes attributable to the inherited items on the beneficiary's tax return as income in respect of a decedent, the deduction is subject to limitations as a miscellaneous itemized deduction that is not subject to the 2% floor, which results in the beneficiary not achieving the entire benefit of the deduction. Thus, a taxable estate can be significantly reduced by accelerating and paying the income taxes allowing the beneficiary to receive the converted assets tax free over his or her life expectancy after the individual's death. The savings can be significant, especially when the taxable estate is reduced so that the estate is no longer subject to estate taxes.

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Mr. Kempter is a shareholder with the firm and is a graduate of Widener University School of Law. He has earned his LL.M. in Taxation at Villanova University. Mr. Kempter is a member of the Bars of the State of New Jersey and the Commonwealth of Pennsylvania and is admitted to practice before the United States Tax Court and U.S. District Court for the District of New Jersey. Mr. Kempter is a member of the American Bar Association, the New Jersey Bar Association and the Camden County Bar Association. In addition to being an attorney, Mr. Kempter is also a Certified Public Accountant in the Commonwealth of Pennsylvania and the State of New Jersey. He is also a member of the Society of Financial Service Professionals, the New Jersey Society of Certified Public Accountants where he currently serves as Treasurer of the Southwest Jersey Chapter and the Estate and Financial Planning Council of Southern New Jersey where he currently serves as Past-President. Mr. Kempter's particular areas of expertise include employee benefits, estate planning, estate administration and tax-exempt organizations.

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