Roth Conversion Guide for Retirees

By Kasey Byrd | Byrd Retirement Planning

1. What is a Roth Conversion?

It's when you move money from a Traditional IRA or 401(k) into a Roth IRA. You pay taxes now so your money can grow and be withdrawn tax-free later.

2. Why Would a Retiree Do This?

- No taxes on future growth
- No Required Minimum Distributions (RMDs)
- Tax-free inheritance for your loved ones

3. How Much Should You Convert?

Stay within your current tax bracket. Many retirees convert just enough to avoid jumping into a higher tax bracket.

4. Prepare for the Taxes

You will owe income tax on the converted amount. If possible, pay the tax with money outside your IRA.

5. Choose the Right Timing

Best done in low income years or before Social Security and RMDs begin. You can convert in chunks over several years.

6. How to Convert

- Contact your IRA provider or advisor
- Request a Roth conversion
- Decide how much to convert and how to pay the taxes

7. Track and Report It

You'll get a 1099-R. File Form 8606 with your taxes. You may want help from a tax pro to make sure it's done right.

8. Avoid Common Mistakes

- Don't convert too much at once
- Be aware of how it affects Medicare premiums
- Roth conversions are permanent (no undo)

9. Repeat as Needed

You don't have to do it all at once. Create a 3-5 year plan and review it yearly.

10. Need Help?

This can be done on your own, but we're here to help if you'd like guidance.