

**[VeriPlan helps you to decide what your lifetime IRA, 401k, Roth IRA, and Roth 401k contribution strategy should be](#)**

**Category : How VeriPlan Helps You To Plan Your Lifecycle Finances**

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**[Download the Free VeriPlan Tutorial Here](#)**With IRA, 401k, and other tax-advantaged retirement investment portfolio accounts, you trade off the relative value of paying federal income taxes, state income taxes, and local income taxes now versus paying them either later or never. The value of this tradeoff varies dramatically from person to person, and a proper analysis should be done within the context of your projected lifetime personal income tax situation. What you should do is highly dependent upon your income, investment portfolio assets, and the variable federal, state, and local income tax rates that you may face across your lifetime. VeriPlan automates much of this evaluation for you. With VeriPlan, you can focus on personal financial planning analysis and decision-making, because VeriPlan's financial calculators and tax calculators hide all the the computational details. U.S. income tax laws concerning tax-advantaged retirement plans are extraordinarily convoluted. To the extent possible, VeriPlan has automated your lifetime projections regarding various employer retirement plans and personal retirement accounts that allow you to defer taxation or to avoid future taxation altogether. VeriPlan has fully automated the projection of your IRA contributions, IRA tax deductions, IRA asset growth, IRA withdrawals, and IRA taxation, regarding traditional tax-deferred IRA accounts and Roth IRA accounts. You do not have to make any entries in VeriPlan associated with IRA tax rules. However, if IRA tax amounts change in the future, VeriPlan lets you change its IRA tax settings to reflect the new tax limits. This prevents the IRA functionality supplied with VeriPlan from becoming obsolete. VeriPlan allows you to categorize each of your cash, bond, and stock investment portfolio asset accounts as taxable, traditional 'tax-deferred', or Roth 'never-taxed' accounts. VeriPlan uses these designations to combine your assets with similar taxability characteristics, when it analyzes your with lifetime projections. VeriPlan also provides two very powerful controls that allow you to vary your projected lifetime contributions into your employer-sponsored 401k and other employer accounts and into your other IRA retirement accounts. These automated financial planning controls allow you to adjust the proportions of your contributions made to traditional 'tax-deferred' versus Roth 'never taxed' investment portfolio accounts. Furthermore, VeriPlan automatically defers taxes on each asset that you hold in any of your 'tax-advantaged' accounts, until withdrawals are either necessary to cover your future expenses or are legally mandated. Of course, after taxing your income at the federal, state, and local levels on your contributions to a Roth account initially, VeriPlan never taxes proper withdrawals from or your investment returns on assets held in these Roth 'never-taxed' accounts. (See also: [Traditional versus Roth tax-advantaged plan contributions](#), [Factors that tend to favor Roth tax-advantaged plan contributions \(Part 1 of 2\)](#), and [\(Part 2 of 2\)](#))