

How to Optimize Roth Conversions

- **Plan for a series of Roth conversions in low income tax years (after retirement; during unemployment)**
- **Build up assets in taxable (non-retirement) accounts to pay living expenses during Roth conversion years**
- **Convert up to selected federal income tax breakpoints (e.g. 12% to 22%) taking into account other ordinary income and deductions**
- **Ages 65 to 69 often best for conversions (on Medicare; deferring largest Social Security check to 70)**
- **Age 70+ (note: RMD formula is back-loaded by age)**
- **Before age 65/early retirement (Affordable Care Act medical insurance tax subsidies need to be taken into account, because Roth conversions count as part of modified AGI calculation on ACA subsidies)**