

Traditional to Roth conversions in low income years have a quicker payback

- **While working, income tax rates are higher for most people compared to their expected retirement income tax rates. Initial tax savings on deductible traditional retirement plan contributions are a higher percentage of income, and thus more valuable.**
- **Wait for lower income tax years after retirement to do a series of Roth conversions. Taxes paid at lower rates mean a quicker payback.**
- **Waiting to convert allows greater asset appreciation on the initial deductible tax savings**
- **Plan to convert some – not all of your traditional retirement assets**
 - **There are diminishing returns on Roth conversions. The first dollar converted is the most valuable.**
 - **You do not need to eliminate all traditional retirement RMDs, just cut them back.**