

Economics of a Roth IRA Conversion - 1. Keep the IRA

Presented By: [Licensed user's name appears here]

For: Simon Scott & Ann Scott

Summary of Transfer Taxation of Defined Contribution Plan Assets

		Plan Assets Initial Value 600,000	Plan Assets Cost Basis 0	Plan Assets Yield 7.50%			
Year	M/F Ages	(1) Plan Assets in Estate	(2) Estate Tax on Plan Assets	(3) Income Tax on Plan Assets*	(4) Total Taxes Attributed to Plan Assets	(5) Heirs After Tax Plan Assets (1) - (4)	(6) Percent Loss Due to Tax
1	55/50	641,775	0	0	0	641,775	0%
2	56/51	686,459	0	0	0	686,459	0%
3	57/52	734,254	0	0	0	734,254	0%
4	58/53	785,376	0	0	0	785,376	0%
5	59/54	840,058	0	0	0	840,058	0%
6	60/55	898,547	0	0	0	898,547	0%
7	61/56	961,108	0	0	0	961,108	0%
8	62/57	1,028,025	0	0	0	1,028,025	0%
9	63/58	1,099,601	0	0	0	1,099,601	0%
10	64/59	1,176,161	0	0	0	1,176,161	0%
11	65/60	1,258,051	0	0	0	1,258,051	0%
12	66/61	1,345,643	0	0	0	1,345,643	0%
13	67/62	1,439,333	0	0	0	1,439,333	0%
14	68/63	1,539,547	0	0	0	1,539,547	0%
15	69/64	1,646,738	0	0	0	1,646,738	0%
16	70/65	1,697,108	0	0	0	1,697,108	0%
17	71/66	1,746,768	0	0	0	1,746,768	0%
18	72/67	1,795,403	0	0	0	1,795,403	0%
19	73/68	1,842,659	0	0	0	1,842,659	0%
20	74/69	1,888,141	0	0	0	1,888,141	0%
21	75/70	1,931,410	0	0	0	1,931,410	0%
22	76/71	1,971,981	0	0	0	1,971,981	0%
23	77/72	2,009,786	0	0	0	2,009,786	0%
24	78/73	2,043,820	0	0	0	2,043,820	0%
25	79/74	2,074,013	0	0	0	2,074,013	0%
26	80/75	2,099,784	0	0	0	2,099,784	0%
27	81/76	2,120,508	0	0	0	2,120,508	0%
28	82/77	2,135,508	0	0	0	2,135,508	0%
29	83/78	2,144,058	0	0	0	2,144,058	0%
30	84/79	2,145,381	0	0	0	2,145,381	0%
31	85/80	2,139,702	0	0	0	2,139,702	0%
32	86/81	2,126,361	0	0	0	2,126,361	0%
33	87/82	2,104,677	0	0	0	2,104,677	0%
34	88/83	2,073,954	0	0	0	2,073,954	0%
35	89/84	2,033,490	0	0	0	2,033,490	0%
36	90/85	1,984,276	0	0	0	1,984,276	0%
37	91/86	1,925,910	0	0	0	1,925,910	0%
38	92/87	1,858,040	0	0	0	1,858,040	0%
39	93/88	1,780,384	0	0	0	1,780,384	0%
40	94/89	1,695,074	0	0	0	1,695,074	0%

*Calculations assume that the retirement plan assets qualify for use of a "stretch-out" strategy in which the heirs' income tax on inherited retirement plan assets is not paid upon the death of the retiree, i.e., the income tax continues to be deferred. Be certain to confirm the availability of this technique with your legal and tax advisers.

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41	95/90	1,602,268	0	0	0	1,602,268	0%
42	96/91	1,502,242	0	0	0	1,502,242	0%
43	97/92	1,395,410	0	0	0	1,395,410	0%
44	98/93	1,282,345	0	0	0	1,282,345	0%
45	99/94	1,166,907	0	0	0	1,166,907	0%

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