

## IRA TO ROTH CONVERSIONS

Beginning in 2010, a significant opportunity exists for taxpayers in that conversions from traditional IRA's (including rollovers from qualified plans) to a ROTH IRA will be allowed regardless of income level or filing status. In addition, the income tax generated on the conversion may be deferred until 2011 and 2012.

Before 2010, the conversion opportunity was only available to individuals with adjusted income under \$100,000. Also, prior to 2010, married individuals filing separately had no conversion option available. It must be remembered that conversions are subject to regular income tax, but no 10% penalty. After conversion, qualified distributions are tax free and minimum distribution requirements do not apply. There are many factors to consider when contemplating a taxable conversion. It is best to talk to an investment or tax professional about the different factors before making a decision.

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