Roth Conversion Decision Worksheet

Quick snapshot + green lights

Should I even explore a Roth conversion this year?

Use this worksheet to organize the big decision points before you talk with a CPA, tax professional, or advisor. It is not a tax calculator - it is a simple planning checklist.

1. MY RETIREMENT SNAPSHOT

My age	
State I live in	
Filing status	
Still working?	
Retired or partially retired?	
Receiving Social Security?	
On Medicare?	
Account I am considering	
Amount I may convert	
Outside cash for taxes	

2. GREEN-LIGHT CHECKLIST

A conversion may be worth exploring if several of these apply:

- [ ] I am in a lower-income year.
- [ ] I recently retired or reduced work income.
- [ ] I am not yet taking Social Security.
- [ ] I am not yet taking required minimum distributions.
- [ ] I have outside cash available to pay the tax.
- [ ] I expect future income or tax rates may be higher.
- [ ] I want more tax-free flexibility later in retirement.
- [ ] I want to reduce future required taxable withdrawals.
- [ ] I want to leave heirs more tax-efficient assets.

Simple takeaway

More checked boxes does not mean 'convert automatically.' It means the idea may be worth reviewing.

Core rule

A Roth conversion generally means paying federal tax now on untaxed retirement money so qualified Roth withdrawals may be tax-free later.

Planning idea

The best conversion year is usually not based on age alone. It depends on income, tax brackets, RMD timing, Social Security timing, Medicare exposure, state tax rules, and cash available to pay the tax.

Red Flags + Tax Watchlist

What could make a conversion a bad idea?

3. SLOW-DOWN CHECKLIST

A conversion may be less attractive if several of these apply:

- [ ] I am already in a high-income year.
- [ ] The conversion may push me into a higher federal bracket.
- [ ] I would need to use retirement money to pay the tax.
- [ ] I may need the converted money soon.
- [ ] I am already receiving Social Security.
- [ ] I am on Medicare or close to Medicare age.
- [ ] I may be close to Medicare IRMAA thresholds.
- [ ] I receive ACA health insurance subsidies.
- [ ] I do not understand the Roth 5-year rules.
- [ ] I do not know my current tax bracket.

Pennsylvania resident note

Federal and Pennsylvania treatment can be different. PA generally does not tax a proper traditional IRA-to-Roth conversion when the money is transferred into the Roth. Amounts withheld or not deposited into the Roth can create PA tax issues.

Medicare / IRMAA watchlist

A large conversion can raise income for the year. Medicare IRMAA uses modified adjusted gross income and filing status to determine higher-income premium adjustments.

Social Security / ACA watchlist

Extra taxable income can affect how much Social Security is taxable and may affect ACA health insurance subsidies before Medicare age.

4. ROTH 5-YEAR RULE REMINDER

If you may need the converted money soon, slow down. Roth rules can involve 5-year periods, and the rules for converted amounts and earnings are not the same. This is a good CPA/advisor question, especially if you are under age 59 1/2.

Bottom line: A conversion can be smart in the right year, but expensive in the wrong year. The tax bill is real, even if the long-term plan is good.

Quick note for the video viewer

This page is not here to scare you away. It is here to help you avoid doing a Roth conversion in a year where taxes, Medicare premiums, Social Security taxation, or cash planning make the move less attractive.

My Decision Notes

What should I ask before doing anything?

5. MY POSSIBLE CONVERSION PLAN

Possible conversion amount ____________

Current estimated federal bracket ____________

Estimated bracket after conversion ____________

Best year/window to explore ____________

Cash source for taxes ____________

Main reason I am considering this ____________

Biggest concern ____________

Professional to contact ____________

6. QUESTIONS TO ASK MY CPA OR ADVISOR

- ☐ How much can I convert without jumping brackets unnecessarily?
- ☐ Will this affect Medicare IRMAA?
- ☐ Will this affect Social Security taxation?
- ☐ Will this affect ACA subsidies?
- ☐ Should I convert all at once or over several years?
- ☐ Should I pay the tax from outside cash?
- ☐ How does Pennsylvania treat my specific conversion?
- ☐ How does the Roth 5-year rule apply to me?

7. FINAL DECISION BOX

- ☐ Wait - not enough information yet
- ☐ Avoid converting this year
- ☐ Explore a small partial conversion
- ☐ Explore a multi-year conversion plan
- ☐ Talk with a CPA/advisor before deciding

Official source notes used for this worksheet

- IRS Form 8606 Instructions: reports traditional IRA to Roth IRA conversions.
- IRS RMD FAQs: traditional IRA / retirement plan RMDs generally start at 73; Roth IRA owner RMDs are not required while alive.
- Pennsylvania Department of Revenue: traditional IRA to Roth IRA conversion generally not taxable for PA if properly transferred.
- SSA Form SSA-44: Medicare IRMAA uses MAGI, generally AGI plus tax-exempt interest, and filing status.