

Conversion of Traditional to Roth Comparison

Rate of Return on all Accounts is 8.0%		Tax Rate on Amount Year Converted Conversion	Roth Conversion IRA Account				Traditional IRA Account Value	Roth IRA is Better or (worse) Off Than Traditional IRA	
			Roth Account Value	Federal Tax Payment Side Fund		Combined Net Roth Value		\$	%
Amount Converted			100,000	-	-	-	100,000		
1	100,000	28.0%	108,000	(28,000)	(29,613)	78,387	108,000		
2	-	28.0%	116,640	-	(31,318)	85,322	116,640		
3	-	28.0%	125,971	-	(33,122)	92,849	125,971		
4	-	28.0%	136,049	-	(35,030)	101,019	136,049		
5	-	28.0%	146,933	-	(37,048)	109,885	146,933		
6	-	28.0%	158,687	-	(39,182)	119,505	158,687		
7	-	28.0%	171,382	-	(41,439)	129,944	171,382		
8	-	28.0%	185,093	-	(43,826)	141,267	185,093		
9	-	28.0%	199,900	-	(46,350)	153,550	199,900		
10	-	28.0%	215,892	-	(49,020)	166,873	215,892		
Total <u>100,000</u>				<u>(28,000)</u>					
Same Federal Tax Rate During Retirement									
		Tax Rate	0.0%		0.0%		28.0%		
		Tax on Withdrawal	-		-	-	(60,450)		
		Net Value	215,892	-	(49,020)	166,873	155,443	11,430	7.4%
Higher Tax Rate During Retirement									
		Tax Rate	0.0%		0.0%		31.0%		
		Tax on Withdrawal	-		-	-	(66,927)		
		Net Value	215,892	-	(49,020)	166,873	148,966	17,907	12.0%
Lower Tax Rate During Retirement									
		Tax Rate	0.0%		0.0%		15.0%		
		Tax on Withdrawal	-		-	-	(23,316)		
		Net Value	215,892	-	(49,020)	166,873	178,759	(11,886)	-6.6%

Notes: Assumption -- Tax paid on conversion is paid from other assets.

It is assumed that only Federal income taxes are due upon conversion.

Withdrawals from retirement accounts are free of IL State income taxes.

 equals best type of account for long-term savings.