the art of
FINANCIAL PLANNING
"Crafting the future that is right for you"

Roth vs. Traditional IRA Quick Decision Checklist

Use this list each year to decide where your next retirement dollar should go.

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1. Tax Situation

☐ My current **marginal tax bracket**: ______%
☐ My **expected retirement tax bracket**: ______%
☐ Do I expect **higher or lower taxes later**?
  ☐ Higher → Lean **Roth**
  ☐ Lower → Lean **Traditional**

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2. Income Planning

☐ Will I have a **"low-tax window"** (e.g., early retirement years before RMDs or Social Security)?
  ☐ Yes → Great time for **Roth contributions/conversions**
  ☐ No → Focus on **deductions now**

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3. Account Balances

☐ My **current pre-tax savings** (401(k)/Traditional IRA): $________
☐ Are my pre-tax balances already large?
  ☐ Yes → Add **Roth** to diversify future tax exposure
  ☐ No → **Traditional** may still make sense

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4. Tax Credits, Cliffs, & Deductions

☐ Am I near any income **phaseouts or cliffs** (child tax credit, IRA deduction, ACA subsidies, IRMAA)?
  ☐ Yes → Traditional may help keep income below thresholds
  ☐ No → Roth flexibility may be worth more

5. Time Horizon

☐ Years until I'll need this money: ______
- ☐ 10+ years → **Roth** benefits compound longer
- ☐ <10 years → **Traditional** deduction might be more valuable now

6. State Tax Factors

☐ State I live in now: __________
☐ State I plan to retire in: __________
- ☐ Higher-tax now / lower-tax later → **Traditional**
- ☐ Lower-tax now / higher-tax later → **Roth**

7. Behavioral & Legacy Considerations

☐ Do I prefer "tax-free forever" simplicity and control? → **Roth**
☐ Do I want to maximize current cash flow with deductions? → **Traditional**
☐ Do I want to leave **tax-free assets to heirs**? → **Roth**

8. Annual Check-In

☐ Have I done a **year-end tax projection**?
☐ Should I do a **partial Roth conversion** up to my current bracket?
☐ Does my Roth/Traditional mix still match my long-term plan?

Rule of Thumb Summary

If You…	Then Consider
Expect higher taxes later	**Roth IRA**
Expect lower taxes later	**Traditional IRA**
Have a long time horizon	**Roth IRA**
Have high income this year	**Traditional IRA**
Have a "Roth window" (low-income years)	**Roth contributions/conversions**