LIFESTYLE INCOME STRATEGIES

PROVIDING INCOME STRATEGIES FOR YOUR LIFESTYLE

SENIOR FINANCES NEWSLETTER

July 7th, 2026

Greetings. Welcome to this special edition of our newsletter.

As we approach the mid-point of 2026 it's a good time to reflect on your plans for the 2nd half of the year. Our business is founded on five critical risks associated with retirement planning which we always cover with our clients and it will be the theme of our next several newsletters. This is a good time to review these risks and plan accordingly. These risks are listed below and this newsletter is devoted to **Tax Risk** as it relates to potential **Roth Conversions.**

Market Risk	**Too much risk in equity or similar markets at the time of retirement**
Tax Risk	**Paying too much in taxes in retirement and the potential for tax increases**
Longevity Risk	**Outliving your savings and not having ample income to cover your expenses**
Capital Risk	**Not having enough savings to retire at the lifestyle you desire or need**
Long Term Care Risk	**Needing long term care and having the costs deplete your savings**

Tax Risk – Paying Too Much Taxes in Retirement

If there is one concern that is in forefront in the minds of our clients, it's the amount of taxes they may be paying in retirement and therefore diminishing their planned income. This fear often stems from the fact that they have too many financial accounts with a large tax liability looming.

While there are various "tax strategies" that may be appealing and work to reduce taxes, rarely do any of them eliminate tax bills. However, there is one strategy designed to do just that and it is a **Roth Conversion**. But it takes very careful planning with a firm that has the skill and experience to determine if a conversion would make financial sense for your portfolio. Then if it does offer a true lifetime benefit, it takes ongoing management to ensure a conversion is completed in a timely and tax efficient way.

A Roth Conversion offers significant tax advantages for retirement income planning, but many pre-retirees and retirees often make the mistake of not converting at the right time or do not covert correctly and lose the tax benefits

Planning and analysis for a Roth Conversion is a critical component of the process and many factors must be considered before a definitive decision can be made. We help you understand those factors and how to mange them for the best possible outcome from a conversion.

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What is A Roth Conversion and What Are the Benefits?

Converting to a Roth involves the "conversion" of a qualified (taxable) account (in full or partial) to a Roth IRA and paying the income taxes due sooner rather than in future years. Qualified accounts include but are not limited to 401(k), 403(b), Traditional IRA, SEP IRA, Simple IRA, and 457(b). But the strategy you use is critical to the outcome and success of any conversion.

Some of the benefits associated with a conversion include:

- Growth in a Roth IRA is tax-free
- Distributions are tax-free and penalty free after five years and age 59 1/2
- Ideal as a non-taxable retirement income source
- There are no RMD's for the owner of a Roth IRA
- Tax-free distributions may reduce taxes on Social Security
- Beneficiaries will not pay taxes on an inherited Roth IRA account
- Beneficiaries & spouses have distribution options
- Excellent source for emergency funds and critical expenditures

At Lifestyle Income Strategies, we have the experience, tools, and software to help you make an informed decision.

Schedule a Complimentary Discovery Call Today

We offer a Free Roth Conversion Discovery Session with a proposal for a Roth conversion to determine if it makes financial sense for your portfolio. Contact us today to schedule your meeting with Micheal Holt to receive your personalized Roth conversion plan. Find out how much you can save in taxes and RMD's during your lifetime.

Use the link at the bottom of this newsletter to schedule a time with me on my calendar. We are happy to host either a phone call, a zoom meeting, or an in-office meeting.

Thank you again for being the best part of our company!

Best Regards,

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