

Roth IRA Conversion Illustration

REPORT

Prepared for:
Sample Client
6/17/2010

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OVERVIEW

The primary goal in converting retirement assets into a Roth IRA is to reduce the future tax liability on the distributions you take in retirement, or on the distributions of your beneficiaries. This Roth IRA conversion report is provided to help you determine whether or not a Roth IRA conversion may be appropriate for your particular circumstances. Review your retirement savings, tax, and legacy planning strategies with your legal/tax advisor to be sure a Roth IRA conversion fits into your planning strategies.

Roth IRA defined.

A Roth IRA is an individual retirement arrangement that provides for the tax-free accumulation of wealth. While funding is always done with after-tax dollars (no deduction on federal tax return), qualified distributions from the Roth IRA are tax-free. Eligibility to make regular contributions to a Roth IRA is subject to certain modified adjusted gross income (MAGI) phase-out limits.

Roth IRA conversion.

In addition to regular contributions, another way to potentially fund a Roth IRA is by making a conversion contribution. A conversion occurs when an individual rolls over traditional IRA, SEP-IRA, or SIMPLE-IRA¹ assets, or qualified employer retirement plan assets (including 403b and 457 plans) into a Roth IRA. Generally, any tax consequence on the rollover assets are included in the gross income of the taxpayer in the year of the conversion. For 2010 conversions only, legislation provided that the tax consequence will be split ratably over tax years 2011 and 2012, unless specifically elected by taxpayer to be paid totally in 2010.

Roth IRA Attributes:

- Regular contributions can be made after age 70^{1/2} with earned income
- No required minimum distributions (RMDs) for IRA owner at age 70^{1/2}
- Qualified tax-free distributions to IRA owner
- Qualified tax-free distributions to IRA beneficiaries

Key conversion rules:

• Partial conversions

There are no limits on the number of conversions that are allowed, nor on the dollar amount required. The entire balance of the IRA or employer

retirement plan does not have to be converted - can convert any partial amount.

• Pro-Rata Rule

When performing a partial conversion of IRA assets into a Roth IRA, pre-tax and after-tax funds in all non-Roth IRAs are considered and viewed as a single IRA. On partial conversion amounts, a proportional percentage of pre-tax and after-tax assets is considered from all non-Roth IRAs. There is no way to isolate only the after-tax funds in an IRA and convert only those funds to a Roth IRA.

For example:

Suppose an individual has \$600,000 in total assets within three IRA accounts: a traditional IRA, a SEP-IRA, and a Rollover IRA. The \$600,000 consists of \$60,000 in after-tax assets (10%) and \$540,000 in pre-tax assets (90%). Any partial amount of the \$600,000 that would be converted to a Roth IRA would be viewed as consisting of 10% after-tax and 90% pre-tax.

• Roth IRA Conversion Recharacterization

A recharacterization is the process of undoing a Roth conversion, making it appear that the conversion never happened. The undoing of the conversion can be done on the full amount or any partial amount of the original conversion. The deadline for recharacterizations is the taxpayer's tax filing deadline, including extensions. This generally provides the taxpayer until October 15 of the year following the year of the conversion, to undo all or any part of the original conversion amount.

• Qualified Roth IRA Distributions

Qualified distributions from a Roth IRA may be made after a five-year holding period has been satisfied AND the Roth IRA owner is any one of the following:

- a) at least age 59^{1/2}
- b) deceased
- c) disabled
- d) qualifies for a first-time home purchase special purpose distribution.

¹ A SIMPLE-IRA may be rolled over penalty-free two years from the date of the first contribution to the SIMPLE IRA. If done prior to the two year holding period, the distribution may be subject to a 25% penalty tax..

- **Ordering Rules**

When taking distributions from a Roth IRA, the IRS has established rules that guide the order in which the various funding sources are distributed. These ordering rules apply to your Roth IRAs in aggregate. For example, if an individual has three Roth IRAs, the balances will be aggregated and treated as one Roth IRA for distribution purposes. When distributions are processed, the various funding sources are removed in the following order:

- 1) Regular Contributions
- 2) Conversion Contributions on a first-in, first-out basis
- 3) Earnings

Individual factors to consider:

- Current and future anticipated tax rates
- Current age and investment time horizon
- Cash flow needs
- Assets available to pay resulting conversion tax consequence
- Beneficiary/Legacy planning objectives

Final Consideration

Discuss the analysis and illustrations in this Roth IRA conversion report with your financial advisor, and consult with your legal and/or tax advisor to discuss the impact of a conversion on your personal tax, estate, and legacy planning strategies.

PERSONAL DATA ASSUMPTIONS

The following information has been used to prepare your Roth IRA conversion illustration:

Primary Account Holder Information	
Name	Sample Client
Pershing account number	
Date of birth	6/1/1945
Age	65
Year of converting funds to a Roth IRA	2010
Expected age at retirement	60
End date*	2027
Conversion Information	
Amount to be converted	\$25,000
Conversion amount attributable to non-deductible contributions	\$0
Type of retirement plan	Traditional IRA
Future IRA Contributions	
Duration in years	0
Amount per year	\$0
Rate Assumptions	
<i>Pre-retirement</i>	
Anticipated IRA pre-tax rate of return	6.00%
Expected annual after tax rate of return	4.32%
Expected marginal income tax rate	28.00%
<i>Retirement</i>	
Anticipated rate of return at withdrawal	6.00%
Expected annual after tax rate of return	4.50%
Expected marginal income tax rate	25.00%

Cash Flow Assumptions	
Will you need to withdraw cash at anytime in the future?	No
Annual cost of living adjustment percentage	0.00%
Amount per year in pre-tax dollars	\$0
Age to start withdrawals	0
Duration in years	0

*Last withdrawal year determined by gender based periodic life expectancy tables.

The following information has been used to prepare your Roth IRA Conversion Illustration Report:

Primary Beneficiary Information	
Name	Sample Spouse
Date of birth	7/1/1946
Is beneficiary your spouse?	Yes
Relationship	Spouse
Anticipated rate of return	6.00%
Expected annual after-tax rate of return	5.10%
Expected marginal income tax rate	15%
Beneficiaries	Yes
Number of beneficiaries	2

The following information has been used to prepare your Roth IRA Conversion Illustration Report:

Final Beneficiary Information	
Name	Sample Child One
Date of birth	1/1/1977
Relationship	Daughter
Anticipated rate of return*	6.00%
Expected annual after-tax rate of return	4.80%
Expected marginal income tax rate	20%
Inheritance percentage	50.0

Name	Sample Child Two
Date of birth	1/1/1980
Relationship	Son
Anticipated rate of return*	6.00%
Expected annual after-tax rate of return	4.80%
Expected marginal income tax rate	20%
Inheritance percentage	50.0

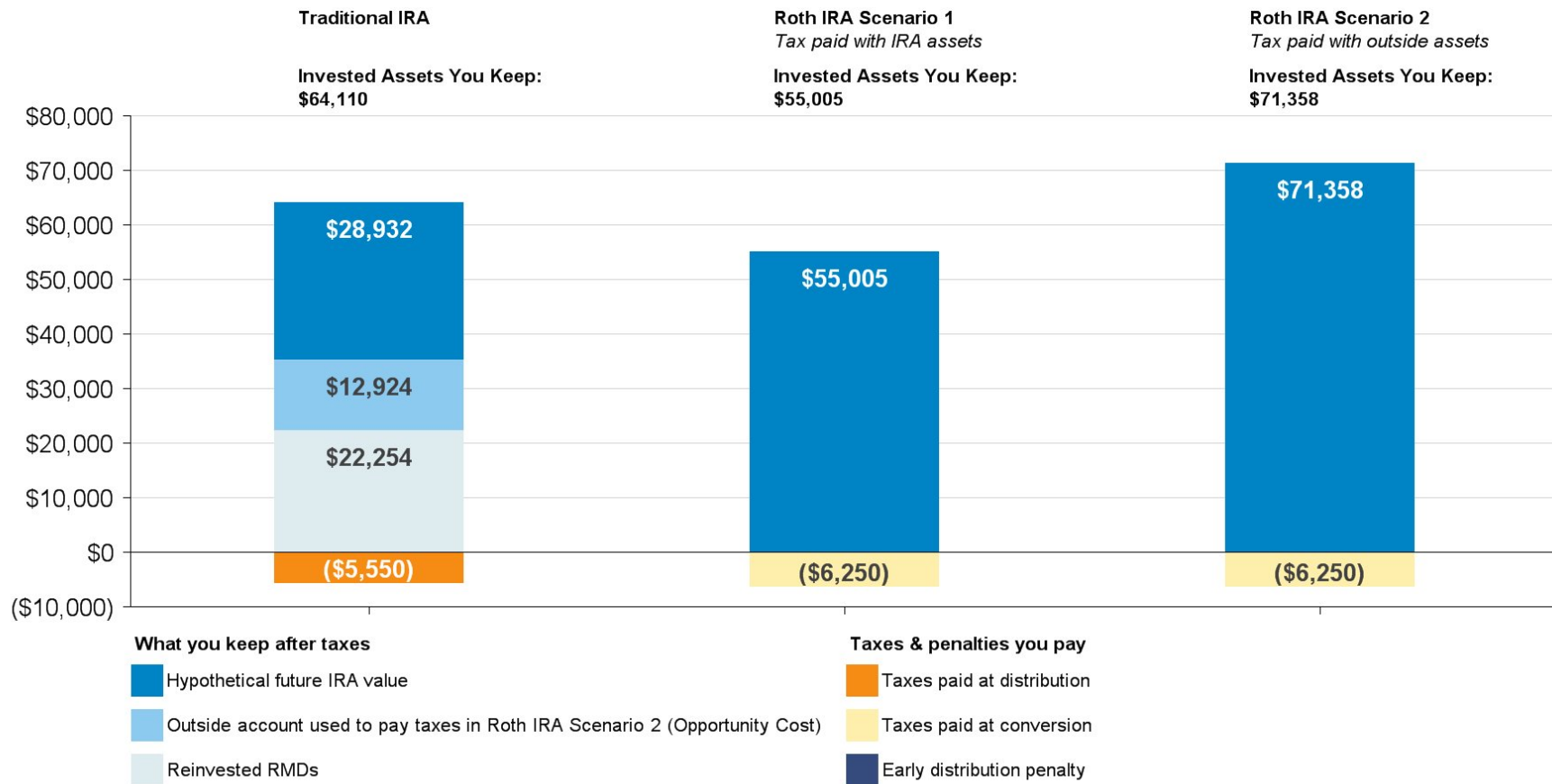
*This illustration assumes that the remainder beneficiary's anticipated rate of return is the same as the primary beneficiary's anticipated rate of return.

RESULTS: Roth IRA Conversion Summary - Primary Account Holder

Sample Client

Converted amount January 1, 2010 \$25,000

Hypothetical IRA values in 2027

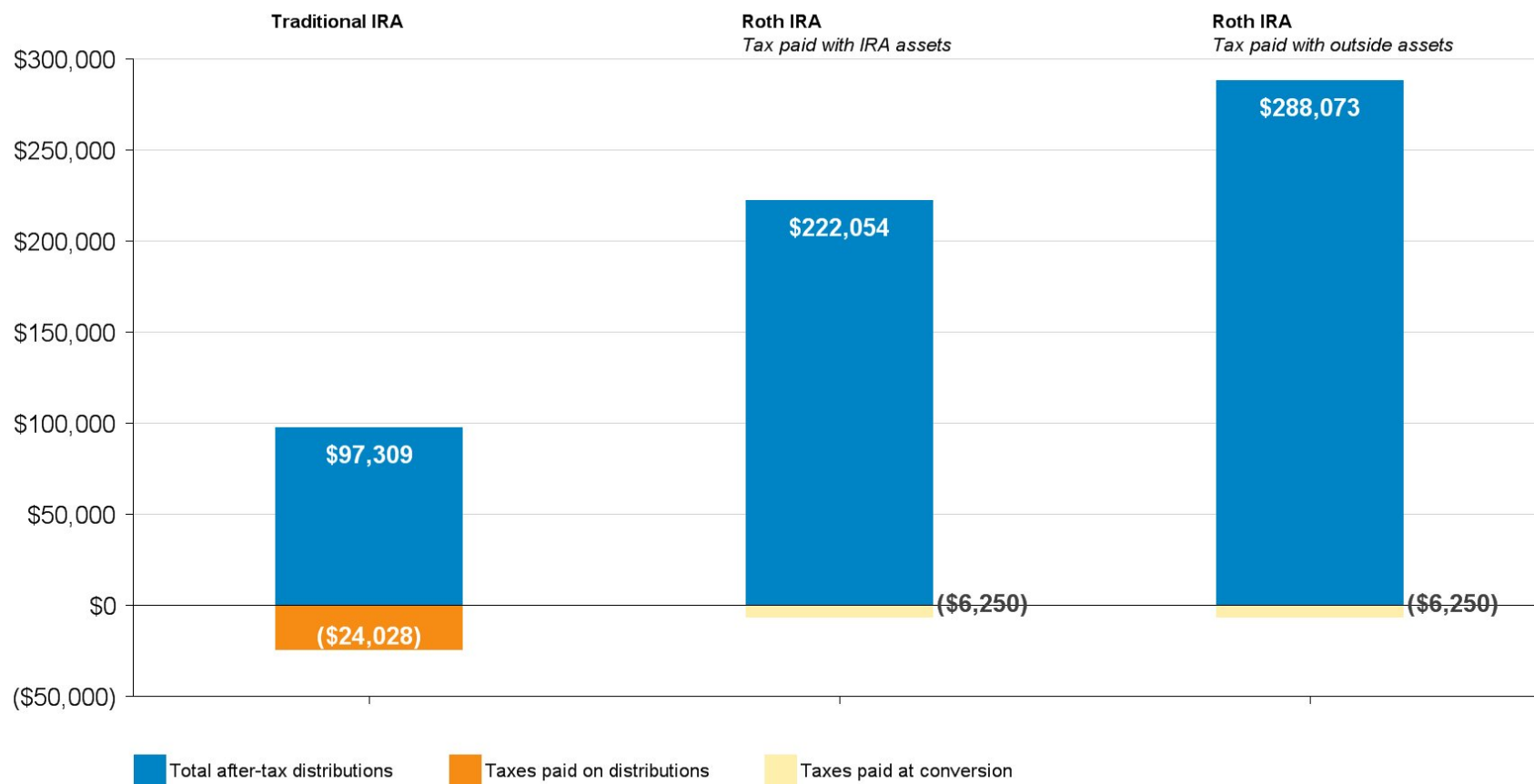


RESULTS: Roth IRA Conversion Summary - All Beneficiaries

The chart below shows the total after-tax withdrawals over the lifetimes of all beneficiaries for three scenarios.

Stretch IRA Comparison

Account distributions and taxes paid over 50 years



RESULTS: IRA Conversion Summary - Primary Account Holder & Beneficiaries

The table below shows the total withdrawals for the primary account holder and all beneficiaries for three scenarios.

Family Member	DOB	Relationship	Inheritance Percentage	Start Value	RMD Duration	Total Withdrawals	Taxes Paid	Total Withdrawals After Taxes
Traditional IRA								
Sample Client	6/1/1945	Account Holder		\$25,000	13 Years	\$22,201	(\$5,550)	\$16,651
Sample Spouse	7/1/1946	Spouse	100.0%	\$38,576	10 Years	\$26,984	(\$4,048)	\$22,936
Sample Child One	1/1/1977	Daughter	50.0%	\$16,004	25 Years	\$34,392	(\$6,878)	\$27,514
Sample Child Two	1/1/1980	Son	50.0%	\$16,004	27 Years	\$37,760	(\$7,552)	\$30,208
Total distributions across all generations						\$121,337	(\$24,028)	\$97,309
Roth IRA (tax paid w/IRA assets)								
Sample Client	6/1/1945	Account Holder		\$25,000	N/A	-	(\$6,250)	-
Sample Spouse	7/1/1946	Spouse	100.0%	\$55,005	N/A	-		-
Sample Child One	1/1/1977	Daughter	50.0%	\$49,253	25 Years	\$105,843		\$105,843
Sample Child Two	1/1/1980	Son	50.0%	\$49,253	27 Years	\$116,211		\$116,211
Total distributions across all generations						\$222,054	(\$6,250)	\$222,054
Roth IRA (tax paid w/outside assets)								
Sample Client	6/1/1945	Account Holder		\$25,000	N/A	-	(\$6,250)	-
Sample Spouse	7/1/1946	Spouse	100.0%	\$71,358	N/A	-		-
Sample Child One	1/1/1977	Daughter	50.0%	\$63,896	25 Years	\$137,312		\$137,312
Sample Child Two	1/1/1980	Son	50.0%	\$63,896	27 Years	\$150,761		\$150,761
Total distributions across all generations						\$288,073	(\$6,250)	\$288,073

RESULTS DETAILS: Account Owner - Traditional IRA

Sample Client

Converted amount January 1, 2010

\$25,000

Year	Age	Life expectancy	Required minimum distributions	Elective contributions	Elective withdrawals*	Tax paid on distribution**	Earnings	Account value	After-tax account value
2010	65	N/A	\$0	\$0	\$0	\$0	\$1,500	\$26,500	\$19,875
2011	66	N/A	\$0	\$0	\$0	\$0	\$1,590	\$28,090	\$21,068
2012	67	N/A	\$0	\$0	\$0	\$0	\$1,685	\$29,775	\$22,332
2013	68	N/A	\$0	\$0	\$0	\$0	\$1,787	\$31,562	\$23,671
2014	69	N/A	\$0	\$0	\$0	\$0	\$1,894	\$33,456	\$25,092
2015	70	27.4	(\$1,221)	\$0	\$0	(\$305)	\$1,934	\$34,169	\$25,627
2016	71	26.5	(\$1,289)	\$0	\$0	(\$322)	\$1,973	\$34,852	\$26,139
2017	72	25.6	(\$1,361)	\$0	\$0	(\$340)	\$2,009	\$35,500	\$26,625
2018	73	24.7	(\$1,437)	\$0	\$0	(\$359)	\$2,044	\$36,107	\$27,080
2019	74	23.8	(\$1,517)	\$0	\$0	(\$379)	\$2,075	\$36,665	\$27,499
2020	75	22.9	(\$1,601)	\$0	\$0	(\$400)	\$2,104	\$37,168	\$27,876
2021	76	22.0	(\$1,689)	\$0	\$0	(\$422)	\$2,129	\$37,607	\$28,205
2022	77	21.2	(\$1,774)	\$0	\$0	(\$443)	\$2,150	\$37,983	\$28,487
2023	78	20.3	(\$1,871)	\$0	\$0	(\$468)	\$2,167	\$38,279	\$28,709
2024	79	19.5	(\$1,963)	\$0	\$0	(\$491)	\$2,179	\$38,495	\$28,871
2025	80	18.7	(\$2,059)	\$0	\$0	(\$515)	\$2,186	\$38,622	\$28,967
2026	81	17.9	(\$2,158)	\$0	\$0	(\$539)	\$2,188	\$38,652	\$28,989
2027	82	17.1	(\$2,260)	\$0	\$0	(\$565)	\$2,184	\$38,576	\$28,932
Total			(\$22,201)	\$0	\$0	(\$5,550)			

* After-tax value

** Distribution is greater of RMD or Elective Withdrawal

RESULTS DETAILS: Account Owner - Traditional IRA Outside Assets and RMDs

Sample Client

Converted amount January 1, 2010

\$25,000

This chart illustrates the “opportunity costs” associated with a Roth IRA Conversion. To make a fair comparison between the traditional IRA and a converted Roth IRA, our calculations take into account the value and growth of outside assets that might have been used to pay taxes on your conversion amount. The calculation also takes into account the reinvested after-tax value of any required minimum distributions not allocated for retirement income cash flow taken after age 70½.

Year	Age	Outside assets			Reinvested RMDs		
		Tax paid on conversion	Earnings (after-tax value)	Value (after-tax value)	RMD - elective withdrawals (after-tax value)	Earnings (after-tax value)	Value (after-tax value)
2010	65	\$0	\$0	\$0	\$0	\$0	\$0
2011	66	\$3,125	\$141	\$3,266	\$0	\$0	\$0
2012	67	\$3,125	\$288	\$6,678	\$0	\$0	\$0
2013	68	\$0	\$301	\$6,979	\$0	\$0	\$0
2014	69	\$0	\$314	\$7,293	\$0	\$0	\$0
2015	70	\$0	\$328	\$7,621	\$916	\$41	\$957
2016	71	\$0	\$343	\$7,964	\$967	\$87	\$2,011
2017	72	\$0	\$358	\$8,322	\$1,021	\$136	\$3,168
2018	73	\$0	\$375	\$8,697	\$1,078	\$191	\$4,437
2019	74	\$0	\$391	\$9,088	\$1,138	\$251	\$5,826
2020	75	\$0	\$409	\$9,497	\$1,201	\$316	\$7,343
2021	76	\$0	\$427	\$9,924	\$1,267	\$387	\$8,997
2022	77	\$0	\$447	\$10,371	\$1,330	\$465	\$10,792
2023	78	\$0	\$467	\$10,838	\$1,403	\$549	\$12,745
2024	79	\$0	\$488	\$11,325	\$1,472	\$640	\$14,857

Sample Client

Converted amount January 1, 2010 \$25,000

This chart illustrates the “opportunity costs” associated with a Roth IRA Conversion. To make a fair comparison between the traditional IRA and a converted Roth IRA, our calculations take into account the value and growth of outside assets that might have been used to pay taxes on your conversion amount. The calculation also takes into account the reinvested after-tax value of any required minimum distributions not allocated for retirement income cash flow taken after age 70½.

Year	Age	Outside assets			Reinvested RMDs		
		Tax paid on conversion	Earnings (after-tax value)	Value (after-tax value)	RMD - elective withdrawals (after-tax value)	Earnings (after-tax value)	Value (after-tax value)
2025	80	\$0	\$510	\$11,835	\$1,544	\$738	\$17,139
2026	81	\$0	\$533	\$12,368	\$1,618	\$844	\$19,601
2027	82	\$0	\$557	\$12,924	\$1,695	\$958	\$22,254

RESULTS DETAILS: Account Owner - Roth IRA Scenario 1 (tax paid with IRA assets)

Sample Client

Converted amount January 1, 2010

\$25,000

Year	Age	Life expectancy	Elective contributions	Elective withdrawals*	Earnings	Account value
2010	65	N/A	\$0	\$0	\$1,500	\$26,500
2011	66	N/A	\$0	(\$3,125)	\$1,403	\$24,778
2012	67	N/A	\$0	(\$3,125)	\$1,299	\$22,952
2013	68	N/A	\$0	\$0	\$1,377	\$24,329
2014	69	N/A	\$0	\$0	\$1,460	\$25,788
2015	70	27.4	\$0	\$0	\$1,547	\$27,336
2016	71	26.5	\$0	\$0	\$1,640	\$28,976
2017	72	25.6	\$0	\$0	\$1,739	\$30,714
2018	73	24.7	\$0	\$0	\$1,843	\$32,557
2019	74	23.8	\$0	\$0	\$1,953	\$34,511
2020	75	22.9	\$0	\$0	\$2,071	\$36,581
2021	76	22.0	\$0	\$0	\$2,195	\$38,776
2022	77	21.2	\$0	\$0	\$2,327	\$41,103
2023	78	20.3	\$0	\$0	\$2,466	\$43,569
2024	79	19.5	\$0	\$0	\$2,614	\$46,183
2025	80	18.7	\$0	\$0	\$2,771	\$48,954
2026	81	17.9	\$0	\$0	\$2,937	\$51,891
2027	82	17.1	\$0	\$0	\$3,113	\$55,005
Total			\$0	(\$6,250)		

* If annual elective withdrawals are taken within five years of a Roth IRA conversion, the 10% early distribution penalty that may apply to the distribution is not illustrated in this report.

RESULTS DETAILS: Account Owner - Roth IRA Scenario 2 (tax paid with outside assets)

Sample Client

Converted amount January 1, 2010

\$25,000

Year	Age	Life expectancy	Elective contributions	Elective withdrawals*	Earnings	Account value
2010	65	N/A	\$0	\$0	\$1,500	\$26,500
2011	66	N/A	\$0	\$0	\$1,590	\$28,090
2012	67	N/A	\$0	\$0	\$1,685	\$29,775
2013	68	N/A	\$0	\$0	\$1,787	\$31,562
2014	69	N/A	\$0	\$0	\$1,894	\$33,456
2015	70	27.4	\$0	\$0	\$2,007	\$35,463
2016	71	26.5	\$0	\$0	\$2,128	\$37,591
2017	72	25.6	\$0	\$0	\$2,255	\$39,846
2018	73	24.7	\$0	\$0	\$2,391	\$42,237
2019	74	23.8	\$0	\$0	\$2,534	\$44,771
2020	75	22.9	\$0	\$0	\$2,686	\$47,457
2021	76	22.0	\$0	\$0	\$2,847	\$50,305
2022	77	21.2	\$0	\$0	\$3,018	\$53,323
2023	78	20.3	\$0	\$0	\$3,199	\$56,523
2024	79	19.5	\$0	\$0	\$3,391	\$59,914
2025	80	18.7	\$0	\$0	\$3,595	\$63,509
2026	81	17.9	\$0	\$0	\$3,811	\$67,319
2027	82	17.1	\$0	\$0	\$4,039	\$71,358
Total			\$0	\$0		

* If annual elective withdrawals are taken within five years of a Roth IRA conversion, the 10% early distribution penalty that may apply to the distribution is not illustrated in this report.

RESULTS DETAILS: Primary Beneficiary - Spouse

Sample Spouse

Inherited account balance

Traditional IRA: \$38,576

Roth IRA (tax paid w/IRA assets): \$55,005

Roth IRA (tax paid w/outside assets): \$71,358

Year	Age	Life Expectancy	Traditional IRA			Roth IRA		Roth IRA	
			Required Minimum Distributions	Tax Paid on Distribution	Account Value	Tax Paid w/IRA Assets		Tax Paid w/outside Assets	
						Earnings	Account Value	Earnings	Account Value
2028	82	17.1	(\$2,256)	(\$338)	\$38,499	\$3,300	\$58,305	\$4,282	\$75,640
2029	83	16.3	(\$2,362)	(\$354)	\$38,305	\$3,498	\$61,804	\$4,538	\$80,178
2030	84	15.5	(\$2,471)	(\$371)	\$37,984	\$3,708	\$65,512	\$4,811	\$84,989
2031	85	14.8	(\$2,566)	(\$385)	\$37,542	\$3,931	\$69,443	\$5,099	\$90,088
2032	86	14.1	(\$2,663)	(\$399)	\$36,973	\$4,167	\$73,609	\$5,405	\$95,494
2033	87	13.4	(\$2,759)	(\$414)	\$36,266	\$4,417	\$78,026	\$5,730	\$101,223
2034	88	12.7	(\$2,856)	(\$428)	\$35,415	\$4,682	\$82,707	\$6,073	\$107,297
2035	89	12.0	(\$2,951)	(\$443)	\$34,412	\$4,962	\$87,670	\$6,438	\$113,735
2036	90	11.4	(\$3,019)	(\$453)	\$33,277	\$5,260	\$92,930	\$6,824	\$120,559
2037	91	10.8	(\$3,081)	(\$462)	\$32,007	\$5,576	\$98,506	\$7,234	\$127,792
Total			(\$26,984)	(\$4,048)		\$43,501		\$56,434	

RESULTS DETAILS: Final Beneficiary - Daughter

Sample Child One

Inherited account balance Traditional IRA: \$16,004

Roth IRA (tax paid w/IRA assets): \$49,253

Roth IRA (tax paid w/outside assets): \$63,896

Year	Age	Life Expectancy	Traditional IRA			Roth IRA		Roth IRA	
			Required Minimum Distributions	Tax Paid on Distribution	Account Value	Tax Paid w/IRA Assets		Tax Paid w/outside Assets	
						Required Minimum Distributions	Account Value	Required Minimum Distributions	Account Value
2038	61	24.4	(\$656)	(\$131)	\$16,269	(\$2,019)	\$50,068	(\$2,619)	\$64,954
2039	62	23.4	(\$695)	(\$139)	\$16,508	(\$2,140)	\$50,804	(\$2,776)	\$65,909
2040	63	22.4	(\$737)	(\$147)	\$16,717	(\$2,268)	\$51,448	(\$2,942)	\$66,745
2041	64	21.4	(\$781)	(\$156)	\$16,892	(\$2,404)	\$51,987	(\$3,119)	\$67,443
2042	65	20.4	(\$828)	(\$166)	\$17,028	(\$2,548)	\$52,405	(\$3,306)	\$67,985
2043	66	19.4	(\$878)	(\$176)	\$17,119	(\$2,701)	\$52,686	(\$3,504)	\$68,350
2044	67	18.4	(\$930)	(\$186)	\$17,160	(\$2,863)	\$52,812	(\$3,715)	\$68,513
2045	68	17.4	(\$986)	(\$197)	\$17,144	(\$3,035)	\$52,763	(\$3,938)	\$68,450
2046	69	16.4	(\$1,045)	(\$209)	\$17,065	(\$3,217)	\$52,519	(\$4,174)	\$68,133
2047	70	15.4	(\$1,108)	(\$222)	\$16,914	(\$3,410)	\$52,055	(\$4,424)	\$67,531
2048	71	14.4	(\$1,175)	(\$235)	\$16,684	(\$3,615)	\$51,346	(\$4,690)	\$66,612
2049	72	13.4	(\$1,245)	(\$249)	\$16,365	(\$3,832)	\$50,365	(\$4,971)	\$65,340
2050	73	12.4	(\$1,320)	(\$264)	\$15,948	(\$4,062)	\$49,082	(\$5,269)	\$63,674
2051	74	11.4	(\$1,399)	(\$280)	\$15,422	(\$4,305)	\$47,463	(\$5,585)	\$61,574
2052	75	10.4	(\$1,483)	(\$297)	\$14,776	(\$4,564)	\$45,473	(\$5,921)	\$58,993
2053	76	9.4	(\$1,572)	(\$314)	\$13,996	(\$4,838)	\$43,074	(\$6,276)	\$55,880
2054	77	8.4	(\$1,666)	(\$333)	\$13,070	(\$5,128)	\$40,223	(\$6,652)	\$52,181
2055	78	7.4	(\$1,766)	(\$353)	\$11,982	(\$5,436)	\$36,875	(\$7,052)	\$47,838
2056	79	6.4	(\$1,872)	(\$374)	\$10,716	(\$5,762)	\$32,980	(\$7,475)	\$42,785

RESULTS DETAILS: Final Beneficiary - Daughter

(continued)

Sample Child One

Inherited account balance Traditional IRA: \$16,004

Roth IRA (tax paid w/IRA assets): \$49,253

Roth IRA (tax paid w/outside assets): \$63,896

Year	Age	Life Expectancy	Traditional IRA			Roth IRA		Roth IRA	
			Required Minimum Distributions	Tax Paid on Distribution	Account Value	Tax Paid w/IRA Assets		Tax Paid w/outside Assets	
						Required Minimum Distributions	Account Value	Required Minimum Distributions	Account Value
2057	80	5.4	(\$1,984)	(\$397)	\$9,256	(\$6,107)	\$28,485	(\$7,923)	\$36,953
2058	81	4.4	(\$2,104)	(\$421)	\$7,581	(\$6,474)	\$23,332	(\$8,398)	\$30,268
2059	82	3.4	(\$2,230)	(\$446)	\$5,672	(\$6,862)	\$17,457	(\$8,902)	\$22,648
2060	83	2.4	(\$2,364)	(\$473)	\$3,507	(\$7,274)	\$10,795	(\$9,437)	\$14,004
2061	84	1.4	(\$2,505)	(\$501)	\$1,062	(\$7,710)	\$3,269	(\$10,003)	\$4,241
2062	85	1.0	(\$1,062)	(\$212)	\$0	(\$3,269)	\$0	(\$4,241)	\$0
Total			\$34,392	(\$6,878)		\$105,843		\$137,312	

RESULTS DETAILS: Final Beneficiary - Son

Sample Child Two

Inherited account balance Traditional IRA: \$16,004

Roth IRA (tax paid w/IRA assets): \$49,253

Roth IRA (tax paid w/outside assets): \$63,896

Year	Age	Life Expectancy	Traditional IRA			Roth IRA		Roth IRA	
			Required Minimum Distributions	Tax Paid on Distribution	Account Value	Tax Paid w/IRA Assets		Tax Paid w/outside Assets	
						Required Minimum Distributions	Account Value	Required Minimum Distributions	Account Value
2038	58	27.0	(\$593)	(\$119)	\$16,336	(\$1,824)	\$50,274	(\$2,367)	\$65,221
2039	59	26.0	(\$628)	(\$126)	\$16,650	(\$1,934)	\$51,241	(\$2,509)	\$66,476
2040	60	25.0	(\$666)	(\$133)	\$16,943	(\$2,050)	\$52,143	(\$2,659)	\$67,646
2041	61	24.0	(\$706)	(\$141)	\$17,211	(\$2,173)	\$52,969	(\$2,819)	\$68,717
2042	62	23.0	(\$748)	(\$150)	\$17,451	(\$2,303)	\$53,706	(\$2,988)	\$69,673
2043	63	22.0	(\$793)	(\$159)	\$17,657	(\$2,441)	\$54,340	(\$3,167)	\$70,496
2044	64	21.0	(\$841)	(\$168)	\$17,825	(\$2,588)	\$54,858	(\$3,357)	\$71,167
2045	65	20.0	(\$891)	(\$178)	\$17,950	(\$2,743)	\$55,242	(\$3,558)	\$71,666
2046	66	19.0	(\$945)	(\$189)	\$18,025	(\$2,907)	\$55,474	(\$3,772)	\$71,967
2047	67	18.0	(\$1,001)	(\$200)	\$18,045	(\$3,082)	\$55,536	(\$3,998)	\$72,047
2048	68	17.0	(\$1,061)	(\$212)	\$18,003	(\$3,267)	\$55,405	(\$4,238)	\$71,878
2049	69	16.0	(\$1,125)	(\$225)	\$17,890	(\$3,463)	\$55,059	(\$4,492)	\$71,429
2050	70	15.0	(\$1,193)	(\$239)	\$17,700	(\$3,671)	\$54,472	(\$4,762)	\$70,667
2051	71	14.0	(\$1,264)	(\$253)	\$17,421	(\$3,891)	\$53,616	(\$5,048)	\$69,556
2052	72	13.0	(\$1,340)	(\$268)	\$17,046	(\$4,124)	\$52,461	(\$5,350)	\$68,058
2053	73	12.0	(\$1,421)	(\$284)	\$16,563	(\$4,372)	\$50,975	(\$5,672)	\$66,130
2054	74	11.0	(\$1,506)	(\$301)	\$15,961	(\$4,634)	\$49,121	(\$6,012)	\$63,725
2055	75	10.0	(\$1,596)	(\$319)	\$15,227	(\$4,912)	\$46,861	(\$6,373)	\$60,794
2056	76	9.0	(\$1,692)	(\$338)	\$14,347	(\$5,207)	\$44,154	(\$6,755)	\$57,281

RESULTS DETAILS: Final Beneficiary - Son

(continued)

Sample Child Two

Inherited account balance Traditional IRA: \$16,004

Roth IRA (tax paid w/IRA assets): \$49,253

Roth IRA (tax paid w/outside assets): \$63,896

Year	Age	Life Expectancy	Traditional IRA			Roth IRA		Roth IRA	
			Required Minimum Distributions	Tax Paid on Distribution	Account Value	Tax Paid w/IRA Assets		Tax Paid w/outside Assets	
						Required Minimum Distributions	Account Value	Required Minimum Distributions	Account Value
2057	77	8.0	(\$1,793)	(\$359)	\$13,307	(\$5,519)	\$40,953	(\$7,160)	\$53,128
2058	78	7.0	(\$1,901)	(\$380)	\$12,090	(\$5,850)	\$37,208	(\$7,590)	\$48,271
2059	79	6.0	(\$2,015)	(\$403)	\$10,680	(\$6,201)	\$32,867	(\$8,045)	\$42,639
2060	80	5.0	(\$2,136)	(\$427)	\$9,056	(\$6,573)	\$27,872	(\$8,528)	\$36,158
2061	81	4.0	(\$2,264)	(\$453)	\$7,200	(\$6,968)	\$22,158	(\$9,040)	\$28,746
2062	82	3.0	(\$2,400)	(\$480)	\$5,088	(\$7,386)	\$15,658	(\$9,582)	\$20,314
2063	83	2.0	(\$2,544)	(\$509)	\$2,697	(\$7,829)	\$8,299	(\$10,157)	\$10,766
2064	84	1.0	(\$2,697)	(\$539)	\$0	(\$8,299)	\$0	(\$10,766)	\$0
Total			\$37,760	(\$7,552)		\$116,211		\$150,761	

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