

# New Tax Law for Roth IRA May Be a Bad Deal for Taxpayers



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*Jeff Nabers, CEO of the Nabers Group an unconventional financial planning firm located in Denver, CO, cautions those to carefully look at all their options when considering a Roth IRA conversion.*

Denver, CO, November 11, 2009 -- In 2010 millions of Americans will be able to do something they have never done before—convert their IRA into a Roth IRA account. Current 2009 limitations do not allow anyone who makes more than \$100,000 per year to convert their traditional retirement funds into a Roth IRA.

However, beginning in 2010, the Roth IRA conversion restrictions are being lifted. But is this really a good thing for taxpayers?

"Roth IRAs are a bad idea for taxpayers because they are paying taxes now in order to avoid paying taxes on distributions that are taken later," said Jeff Nabers, CEO of Nabers Group. The problem is partly the economic crisis that we are in. "It makes sense if we were in a commodity-based monetary system, but we're not. We have a fiat currency system that creates an inflationary environment in which Roth conversion is a good deal for the government and a bad deal for the taxpayer."

Additionally, the Roth IRA conversion can be costly for the taxpayers. If they opt to convert their traditional IRAs to Roth IRAs, the IRS will view this as a taxable event. Accountholders will be taxed based on the entire conversion amount for their current tax bracket. The income taxes due on the 2010 conversion can be spread over two years. However, future conversions must be included in income reports to the IRS and will be taxed during the tax year in which the conversion is completed.

Nabers cautions his clients to carefully look at all their options when considering the Roth IRA conversion. He suggests, "Instead they should

continue using their non-Roth Retirement accounts for the maximum tax benefit."

Nabers, the author of *Five Steps To Freedom: How to Cut Your Dependence on Institutions and Escape Financial Slavery*, points out that the most important thing that taxpayers can do in these economic times is to find alternative investment solutions. "We're likely heading into an era of significant inflation. I recommend that people seek alternatives to volatile Wall Street Securities and dollar-denominated assets in general."

"The action that I recommend is to get more educated on the matter and look at both sides of the story before making a decision," said Nabers. He says deciding to convert to a Roth IRA could cost you hundreds of thousands of dollars. "Before paying taxes using half of your savings, wealth, or retirement account, consult experts about all of your options. What you don't know could hurt you—so seek knowledge and information so that you can make an informed decision that you won't regret."

#### **About Jeff Nabers and Nabers Group**

Jeff Nabers has been highly sought after for his [financial expertise](#) for several years by countless organizations, including Entrepreneur Magazine, the Los Angeles Times, and Pensco Trust to name a few. As the founding member of the IRA Association of America, he brings integrity back to the business of investing.

The Nabers Group is available to consult with individuals regarding their savings plan, with answers about all aspects of Self Directed Planning. Those seeking more information on [investing](#) their retirement accounts in a Roth or Conventional IRA may contact the Jeff Nabers at Nabers Group at <http://JeffNabers.com>, where there is an abundance of information on investing and [finances](#).

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