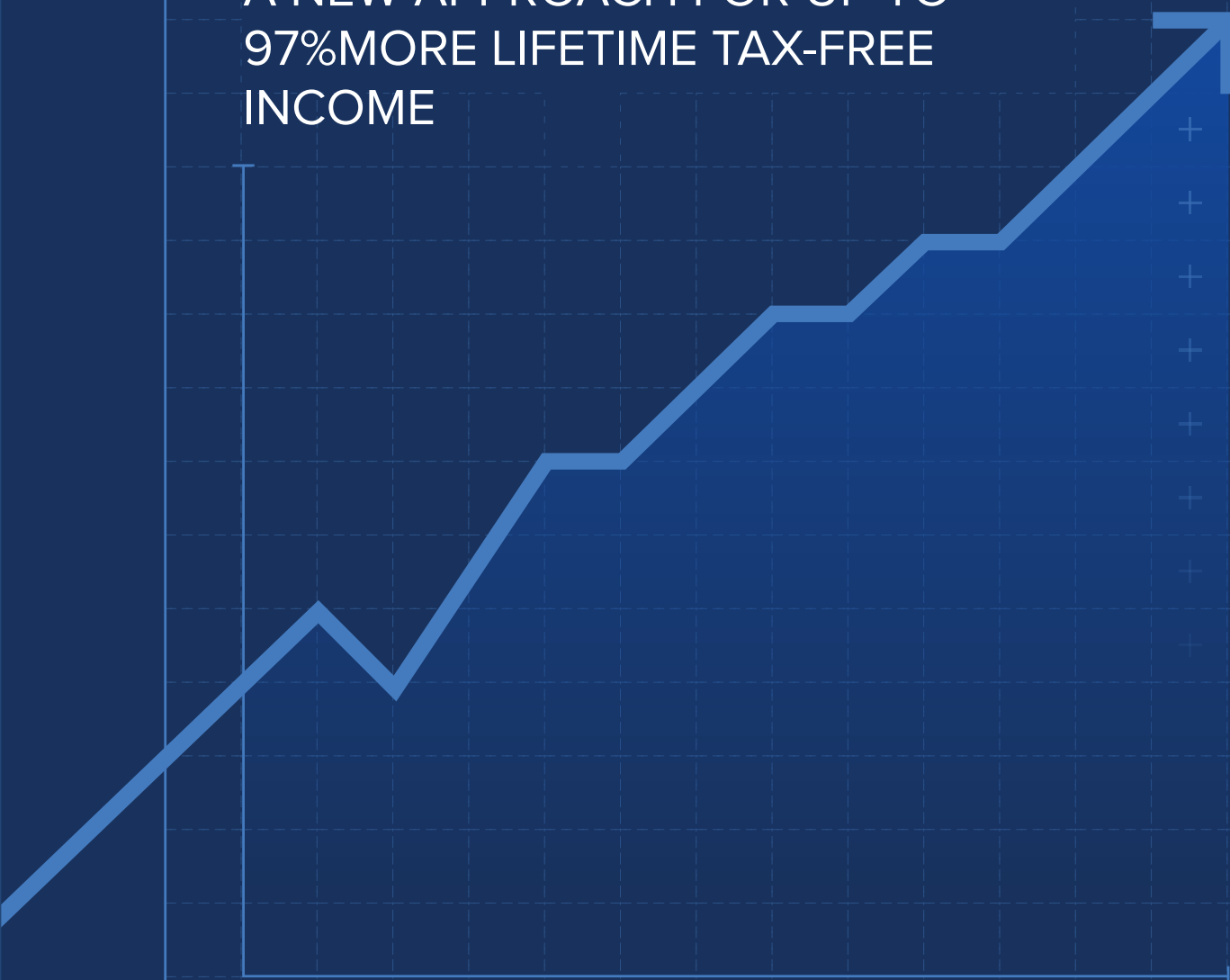


The Roth



Cash-Balanced Strategy

A NEW APPROACH FOR UP TO
97% MORE LIFETIME TAX-FREE
INCOME



Your 7-Step Planning Guide

Disclaimer

“Roth Strategy, Your New 7-Step Planning Guide” is designed to provide pre-retirees, clients, and those considering a Roth conversion with additional knowledge to better understand the relationship between various factors surrounding the Roth conversion process.

This guide is for educational purposes only and is not intended to indicate actual performance or predict future results, and (1) does not include confidential and proprietary information. (2) is educational only and designed to help you better understand how the Roth conversion process might be affected under various conditions, (3) isn't recommendations to buy or sell a particular investment, (4) does not constitute investment advice, (5) is not warranted to be correct, complete or accurate, (6) assumes non-guaranteed rates as of the assumed issue year and age, (7) any hypothetical, non-guaranteed values shown are calculated based on hypothetical interest rates and over a hypothetical period and are subject to change, (8) it is likely that the interest rates and fee percentages will change over time. This means that actual non-guaranteed account values may be higher or lower than those shown in the decision guide and summaries.

Introduction

Modern retirement planning, as we know it, began in 1974, when Congress passed ERISA and created the IRA, offering Americans a way to grow retirement savings tax-deferred. Six years later, the 401(k) emerged from a little-known section of the tax code and revolutionized employer-sponsored retirement plans.

But deferring taxes created a hidden problem: tax-deferred savings accounts were built for a world that no longer exists. Today's retirees are the first full generation of 401(k) savers, many entering retirement with balances in the millions. Yet the rules governing these accounts, especially Required Minimum Distributions (RMDs), were written decades ago, when people didn't live as long, tax rates were higher, and few imagined the level of wealth disciplined savers would accumulate. What once felt like smart tax deferral has become a time bomb for retirement income and legacy planning.

In 1997, Senator William Roth spearheaded the Roth IRA, which changed the game. This new account option flipped the retirement tax strategy on its head: pay taxes now, enjoy tax-free income later. Then, in 2010, Roth conversions became available to everyone, allowing high-balance savers to reposition tax-deferred dollars into tax-free territory permanently.

Yet despite the proven benefits, most people delay or avoid conversions altogether, often due to confusion, misinformation, or fear of short-term tax consequences.

Enter, the new Cash-Balanced Roth Strategy.

This 7-Step Planning Guide walks you through the primary factors and moving parts that empower the Roth Conversion software to reduce tax exposure, increase income flexibility, and grow wealth tax-free for life.

It's also **Step 2: Create a Simple Plan** within our larger decision framework, originally designed for combat environments where clarity, speed, and simplicity were critical:

- 1: **A**ssess the Situation
- 2: **C**reate a Simple Plan
- 3: **T**ake Action
- 4: **E**valuate

Our strategy helps you assess the lifetime benefits of a Roth conversion. This guide and your Roth Conversion specialist will keep you on track, build your Roth Conversion, and enable you to act confidently. Let's get started.

Your 7-Step Planning Guide

INDEX

SECTION 1

Clearly Define Priorities

SECTION 2

Establish Timelines

SECTION 3

Find Current Tax Bracket

SECTION 4

Set Maximum Tax Bracket

SECTION 5

Choose Tax Source

SECTION 6

Calculate Bonus Impact

SECTION 7

Your Roth Blueprint



1

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Clearly Define Priorities

Takeaways

- To build an effective Roth Conversion, we must first clarify your priorities and objectives.
- We start by deciding approximately how much you have in traditional retirement accounts that you would ultimately like to convert.
- Next, once converted, the next consideration is how you would eventually like to use the tax-free funds. This usually falls into one of three sub-categories:

Generate maximum tax-free growth with the ability to take periodic withdrawals as needed. This creates the most flexibility. Our default Roth Conversion strategy is the growth option because it allows for conversion without out-of-pocket cost. This is accomplished through a combination of an account bonus and volatility control to prevent future losses to principal.

Generate maximum lifetime tax-free income. There are two varieties of guaranteed lifetime income: guaranteed income or non-guaranteed increasing income that goes up in step with an underlying index, such as the S&P 500. These options create more lifetime potential income because of the guarantees, but result in slightly less growth potential because of the guarantees.

Provide maximum lifetime wealth for heirs. Unlike inherited Traditional IRAs, beneficiaries of inherited Roth IRAs are not required to take annual RMDs for 10 years, so the money continues to grow tax-free.

“ The growth option is our default Roth Conversion strategy because it allows for conversion without any out-of-pocket cost.



2

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**Establish
Timelines**

Takeaways

- The Roth **Conversion** is based on the concept that an **Accelerated Roth Conversion** will generate the most tax-free wealth over your life and that of your heirs. However, several timeframes must be considered to optimize the conversion.

When do you want to start the conversions? The 2017 Tax Cuts and Jobs Act opened a window for IRA owners to take control of their tax future. This could be your last, best chance to lock in lower tax rates before they disappear. If you have a sizable IRA, now is the time to act.

How many years until you will be forced to start taking Required Minimum Distributions? We want to complete the conversion as soon as possible to avoid the impact of future RMDs. When RMDs begin at age 73 or 75, they can push you into higher tax brackets, increase your Medicare premiums, and subject more of your Social Security to taxation.

If focused on creating maximum lifetime tax-free income, at what age would you want to start enjoying that income?

- Today's tax rates are lower than they've been for most of the last 50 years. A Roth Conversion allows you to proactively pay a lower tax rate on your IRA starting **now**, rather than reactively paying a higher rate on withdrawals and forced distributions down the line. That leaves a very short window for converting to a Roth, which should be a complete no-brainer.

“ This could be your last, best chance to lock in lower tax rate before they disappear.

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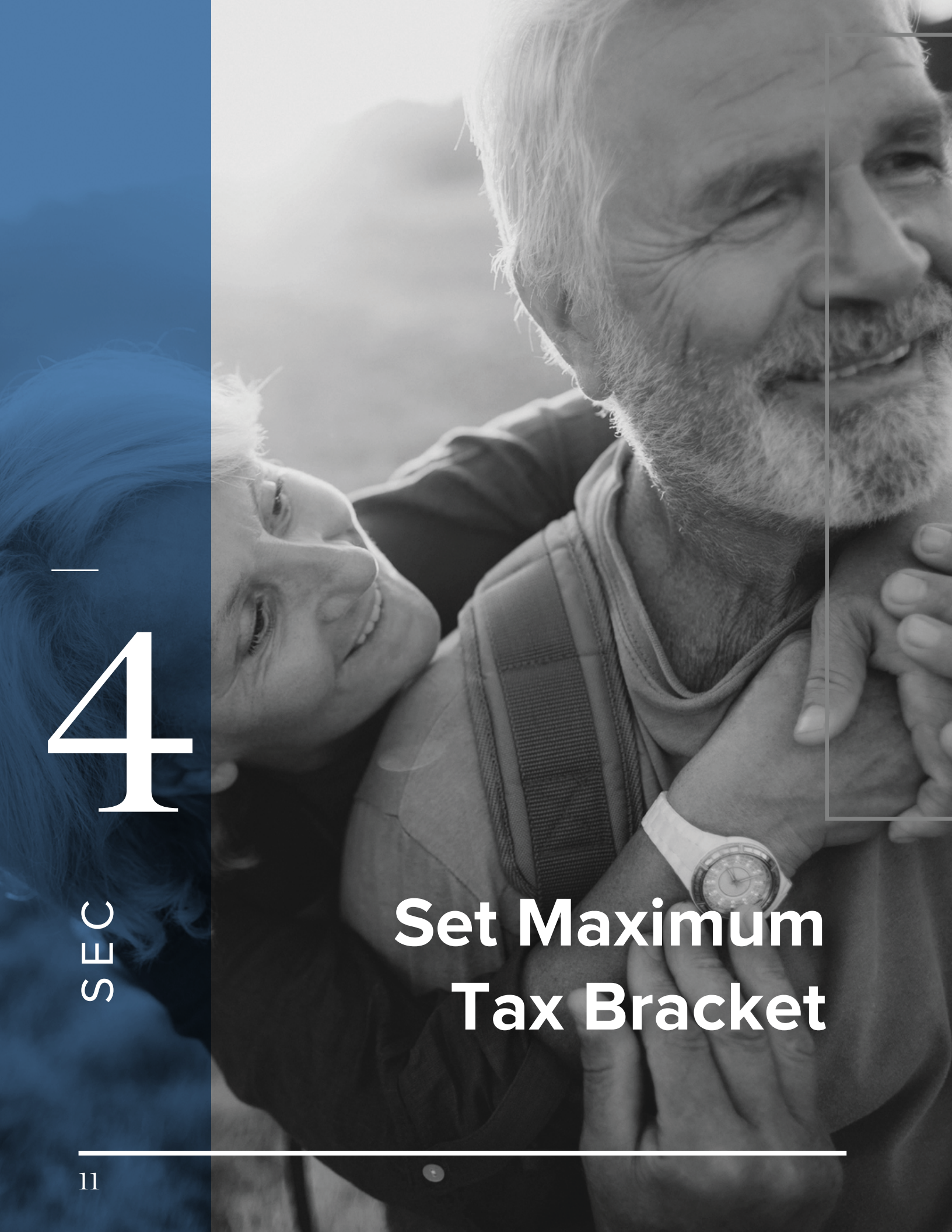
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Calculate Current Tax Bracket

Takeaways

- The Roth Conversion software engine enables you to accelerate your conversion through a robust marginal tax bracket management engine.
- The process starts by determining your current Adjusted Gross Income and, in turn, your current marginal tax bracket. Marginal taxes mean you only pay higher tax rates on the portion of your income that falls into each tax bracket, not your entire income. For example, if one bracket taxes income up to \$50,000 at 12%, and the next bracket taxes income above that bracket at 22%, only the dollars above \$50,000 are taxed at 22%. So, earning more doesn't suddenly raise taxes on everything, just the extra amount.
- For instance, if you are married and filing jointly, and your taxable income for last year fell between \$96,951 and \$206,700, your marginal tax bracket is 22%.
- After inputting your account size, age, and current marginal tax bracket, the Roth Blueprint will answer all of your questions, from how much to convert into a Roth IRA to how long it will take to fully convert your account and how much tax-free wealth you have at every age. It is step-by-step, with no steps skipped, and it explains what to do and when. The Roth Blueprint will save you time and create a simple plan that can be easily adjusted yearly without stress.

“ Marginal taxes mean you only pay higher tax rates on the portion of your income that falls into each tax bracket, not your entire income.



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Set Maximum Tax Bracket

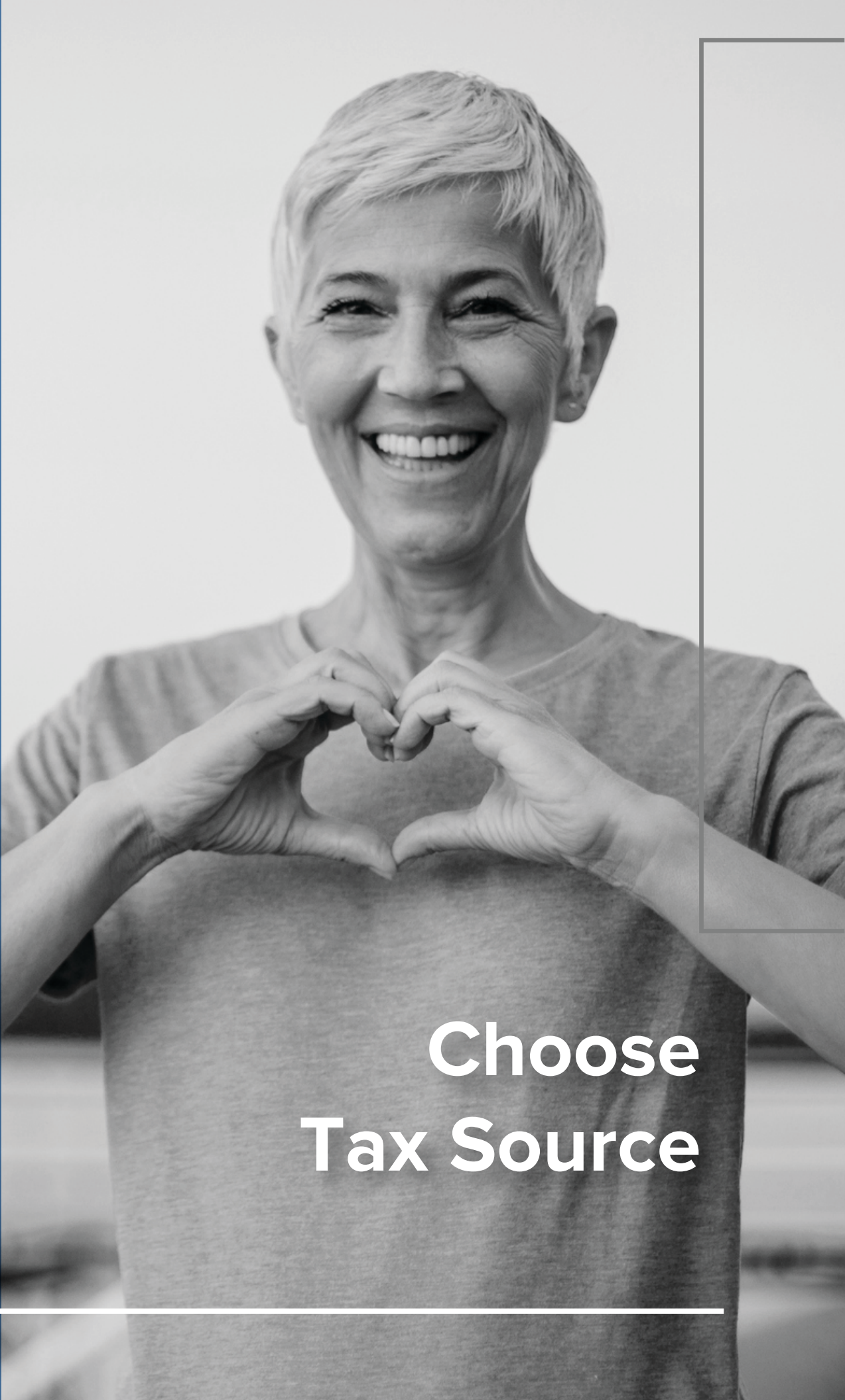
Takeaways

- The Roth Blueprint allows us to choose a maximum tax bracket. This automatically sets up a guardrail when running calculations for your plan. You want to execute your conversion slowly enough that you don't rise into a tax bracket that causes you stress, but quickly enough to get all the heavy lifting done before tax rates go up for good.
- Depending on your income and account balance, we may use the Rule of 24%, which is the sweet spot in the Trump Tax Cuts and Jobs Act. **However, higher tax brackets may be used to shorten the conversion timeline without affecting AGI taxes.**
- For example, if you are married and paid taxes on \$100,000 last year, you are in the 22% tax bracket. Using our 24% rule, using up the 22% and 24% tax brackets makes sense during this historically low tax environment.
- The top of the 24% tax bracket is \$403,550. We subtract the 100,000 you earned last year, leaving room for \$303,550 in additional income on which he can pay taxes and stay within the 24% tax bracket.
- We can test different maximum tax brackets in seconds to determine which tax bracket allows us to meet our timeline without sacrificing our other objective. Whenever we adjust an input, the software adjusts the other numbers so that we protect the principal and avoid out-of-pocket costs.

“ The 24% marginal tax bracket is the sweet spot in the Trump Tax Cuts and Jobs Act.

5

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A black and white photograph of a woman with short, grey hair, smiling warmly at the camera. She is wearing a light-colored, short-sleeved shirt. Her hands are raised in front of her chest, with her fingers interlaced to form a heart shape. The background is a soft, out-of-focus outdoor setting. The image is partially framed by a blue vertical bar on the left and a thin grey line on the right.

**Choose
Tax Source**

Takeaways

- The Roth Blueprint shows you how to convert 100% of your IRA without out-of-pocket costs. The IRA funds are used to pay the taxes and convert the remainder.
- Most IRA owners understand the value of a Roth conversion. However, despite the advantages, the #1 reason they hesitate is the upfront tax hit. They've been told that to convert, they must write a painful check out of pocket, often in the tens or hundreds of thousands of dollars. That single narrative stops most people cold.
- The Roth Conversion eliminates this conversion roadblock by showing you how to convert 100% of your IRA without using external funds to pay the tax. Instead, you use a portion of your IRA to cover the taxes and convert the rest, just like how the IRS automatically withholds taxes from your RMDs. It's a familiar concept, but now it works for you rather than against you. The strategy helps you reframe taxes as a controlled event, not a surprise liability.
- In short, the Roth Conversion breaks the myth that Roth conversions are only for those willing to take a big tax hit out-of-pocket. It opens the door for IRA owners to take action, on their terms, without financial disruption. Whether you use IRA or external funds, this strategy puts you back in control. You pick the timeline. You choose the tax bracket, and you choose the source.

“ The Roth Blueprint eliminates this conversion roadblock by showing you how to convert 100% of your IRA without using external funds to pay the tax.

6

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Calculate Account Bonuses

Takeaways

- Several high-rated insurance carriers provide a bonus on the initial premium as an incentive. This is an account bonus (meaning it is added to the account value on day 1).
- The bonus can help achieve two additional objectives of the Roth Blueprint:

It can help to avoid any out-of-pocket expenses. Taking money out of an IRA is taxable, so until now, you have had to take money out of an external account to move your money or risk significantly depleting the IRA.

It can help avoid reducing the current account value below the starting amount. This one's self-explanatory but very hard to do in practice. If you start with \$500,000 in an IRA, the combined value of the IRA and Roth account has to stay above your initial high-water mark.

- In other words, a substantial bonus with a Roth friendly carrier allows us to ask the following question: “If I could show you how to take a \$500,000 IRA without using any external funds to pay the taxes, without ever reducing the account balance below the original \$500,000, and without increasing your tax bracket—is there any reason you wouldn’t want to go tax-free? The obvious answer is always “no.” That's what the Roth Blueprint can do.

“ Taking money out of an IRA is taxable, so until now, you have had to take money out of an external account to move your money or risk significantly depleting the IRA.



7

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Your Cash-Balanced Roth

Creating a Simple Plan

If you've reviewed each step in this guide, you now have something most retirees lack: **clarity**. You've considered your priorities and timelines, considered your current and future tax exposure, and have a basic working knowledge of how we will build your Roth Blueprint.

Now it's time to bring it all together.

Your **Cash-Balanced Roth** is more than just a tax strategy—it's a retirement game plan designed to reposition your wealth from tax-deferred to tax-free legally. It helps you reduce Required Minimum Distributions, lower your future taxable income, protect your Social Security from IRMAA surcharges, and pass more wealth to your family, free from tax erosion.

This final step is where everything comes into focus.

We don't want you to guess your way through this, so your next move is critical: your discovery session with a **Roth Specialist**. In this one-on-one planning session, we'll review your inputs, validate your tax bracket thresholds, identify your ideal conversion window, and customize your Roth Conversion to maximize lifetime tax-free income.

This is not a generic report. It's a detailed, strategic plan built for you, with specific numbers and goals, and designed to help you with an **Accelerated Roth Conversion**.

This discovery session is your opportunity to act with precision, backed by math, timing, and tax law. There's no cost for the appointment, and no pressure: just clarity, strategy, and the opportunity to take control while you still can.

Let's finish what you started. We look forward to helping you with **Step 2: Create a Simple Plan** by building your personalized Roth Conversion.

Remember, without a simple plan followed by deliberate action, the tax code will claim far more of your wealth than you ever intended or perhaps ever comprehend.

To your tax-free future!

“ Remember, without a simple plan followed by deliberate action, the tax code will claim far more of your wealth than you ever intended or perhaps ever comprehended.



Cash-Balanced Roth Strategy



Dana Gibson , Certified Financial Fiduciary
betersolutions911@gmail.com