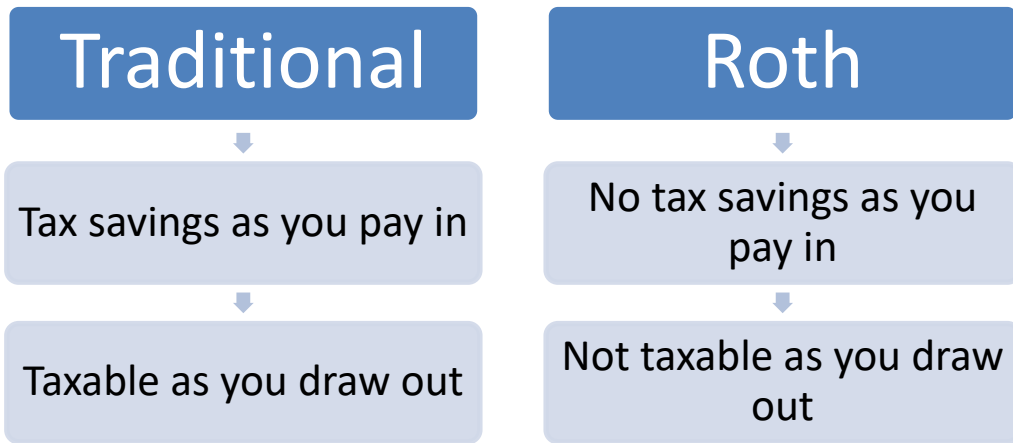


HW Hot Topics Article 2018-06 Roth or Traditional - Decision Guidance

HW Hot Topics articles are brief summaries of a topic, for clients to gain a general understanding. We intend for the information to answer the “quick questions” and to advance the dialog when we provide further analysis and planning.

One FAQ we encounter is for retirement savings, what is better Roth or Traditional? The answer,... ‘It Depends’. This article will briefly summarize the factors on which the decision should depend.



Key Factors to Consider –

	<u>Traditional</u>	<u>Roth</u>
1. The value of Tax Savings now, during the Pay-In years. That favors....	✓	
2. Your tax rate now compared to your tax rate during retirement years. If higher now than you expect in retirement, that favors.....	✓	
3. The possibility you will want the funds back before age 59-1/2 or within 5 years of when you start funding a Roth. If that is only a remote possibility, that factor favors.....		✓
4. The possibility you will not need the funds at all, but will leave to heirs. If that is a good possibility, that factor favors.....		✓
5. Will the IRA or 401K produce significant income or gains. Is your investment style prone to losing money or making money. If you tend to lose money over the long-term of investing, that favors...	✓	
If you manage well to produce significant income, that favors.....		✓

This is not an easy decision. HW can help you evaluate, with objectivity and long-term perspective.