

Weekly Insight
May 11, 2026

"Should I Convert My 401(k) to a Roth IRA?"

This Week's Focus

A Roth conversion can be a smart move for the right person. It can also create a surprise tax bill if it is done at the wrong time or in the wrong amount. The IRS explains that amounts converted are normally included in income for the year you convert. Once a conversion is done, you cannot undo it. It can also raise other costs, like Medicare surcharges, since Social Security uses tax return information from two years prior to determine IRMAA.

This edition of SFL Weekly Insights shows the simple way to think about Roth conversions so you can make a calm decision before you move money.

Content Overview



Roth conversions made easy and simple



The three hidden costs people do not expect



A simple checklist to test how a Roth fits your needs



A beneficiary tracker to protect your intentions



Roth Conversions *Made Simple*

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Life

Tax season has a way of making one thing clear. Taxes can take a bigger bite than you expected. That includes retirement accounts. **A Roth conversion is one way some people try to lower future tax surprises.** But it has rules, and it can backfire if you move too much, too fast.

What a Roth conversion actually is

A Roth conversion means you move money from a pre-tax retirement account into a Roth account. You pay taxes on the amount you convert, then the Roth account can grow tax-free if you follow the rules.

More taxes now

More control (and less taxes) later

The part people miss: The tax bill can be bigger than you think. Our Roth IRA guidebook warns that if you convert too much in one year, it can push your taxable income up and lead to higher taxes. The IRS also explains that amounts converted from a traditional IRA are generally included in income in the year of the conversion. Converting too much can also increase Medicare premiums and can lead to higher taxation on Social Security benefits. Social Security taxation is tied to “combined income,” and the IRS notes that up to 85% of benefits can be taxable for some households. Medicare premium surcharges (IRMAA) are based on income, and many explanations highlight the two-year lookback, meaning one high-income year can raise costs later.

Roth conversions are permanent - so are their Tax-Free withdrawals

This is critical. The IRS states that conversions and rollovers to a Roth IRA made in 2018 or later cannot be recharacterized back. In plain language: once it is done, it is done. That is why this edition is not a do-it-yourself “how to” guide. It is a “think first” guide.

An easy way to think about it... **Do NOT ask yourself, “Should I convert everything?”**

Ask “Is there a smart amount to convert this year without creating a new problem?”

Many people reduce surprise tax spikes by spreading conversions over multiple years, rather than doing one large conversion at once.

Do NOT skip this

When you change retirement accounts, you should also review who inherits them. Beneficiary designations often control who gets retirement accounts and can override what a will says.

4-Minute Test: *Are Roth Conversions something for you?*



Use this page like a quick test. If it raises red flags, the safest next step is a short call with Randy before you move money.

Step 1: Quick Fit Check (YES or NO)

1. YES / NO I expect my tax rate may be higher later.
2. YES / NO I want more control over my future taxes.
3. YES / NO I am retired or retiring within 5 years.
4. YES / NO I have a large pre-tax IRA or 401(k).
5. YES / NO I worry about a surprise tax bill.
6. YES / NO I am on Medicare now (or close).
7. YES / NO I take Social Security now (or will soon).
8. YES / NO I want to leave money behind to family.
9. YES / NO I have not reviewed beneficiaries in years.
- 10.

Score

- 0–2 YES: This may not be urgent. Keep learning.
- 3–5 YES: This could help, but timing matters.
- 6+ YES: High potential impact. Do not guess.

Step 2: The “Do Not Skip” Warnings (check any that apply)

- I cannot afford a big tax bill this year.
- I am near an income line that could raise Medicare costs.
- I am not sure how a conversion affects Social Security taxes.
- I am not sure how much to convert safely.
- I thought I could reverse it later if I regret it.

If you checked 2 or more, you need to book your SFL review.

Continue the 4-minute test on the next page...

4.5-Minute Test: *Are Roth Conversions something for you?*

Step 3: Your one-sentence goal (write it out)

The reason I am looking at a Roth conversion is: _____

Examples: *"I want fewer tax surprises later," "I want more control over withdrawals," or "I want to leave money behind more cleanly."*

Step 4: What to bring to your call (so it is fast)

- Last year's tax return
- Your IRA and 401(k) statements
- Medicare status: On Medicare | Not yet
- Social Security status: Taking it | Not yet
- The amount you were thinking about converting: \$ _____

Step 5: Do not forget this

If you change accounts, you should also review who inherits them. Use the Beneficiary Designation Tracker on Page 4 to list:

- Roth IRA
- 401(k)
- Traditional IRA
- Life Insurance

Write the current beneficiary, the last update date, and any changes needed.

Your next step

On step 1, if you scored 3+ YES, a Roth conversion may be in your future.

Call [Randy Russell @ 785-404-6664](tel:785-404-6664) or reserve a personal one-on-one no-cost roth conversion session

www.SolutionsForLifeKS.com

Mistake 10: Mismanaging Beneficiaries

Reflection Questions:

Why is it important to review beneficiaries regularly?

Beneficiary Designation Tracker:

Ensuring that beneficiary designations are up-to-date is crucial for proper estate planning. This tracker helps readers document their beneficiaries and keep their plans current.

Account Type	Current Beneficiary	Date Last Updated	Changes Needed?	Action Items
Roth IRA				
401(k)				
Traditional IRA				
Life Insurance				

Notes:



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