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A Guide To The

# **Roth Vs Regular IRA Analyzer**

**By Denver Tax Software, Inc.**

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# Overview

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## Why Use This Program?

### Purpose

The purpose of the DTS Roth Vs Regular (Traditional) IRA Calculator is to help you determine whether your clients should rollover their regular IRA into a Roth IRA or whether your clients should make annual contributions to Roth rather than regular IRAs.

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## Assumptions

When reviewing the results of this program, please keep in mind the assumptions as follows:

Distributions are not subject to the early withdrawal penalty.

Minimum distribution requirements are met.

IRA funds, if still available at death, are distributed immediately after death.

IRA contributions and rollovers are made on January 1, and distributions are made on December 31. A full year's income is calculated on the year's beginning balance, plus, any contributions or rollovers.

The tax on rollovers to Roth IRAs in 2010 is spread over 2011 and 2012.

One tax rate can be used for all pre-retirement years.

One tax rate can be used for all retirement years is the same for all retirement years.

One tax rate can be used for all beneficiaries that might inherit the IRA.

The taxpayer qualifies to make a rollover or contribution.

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## Getting The Most Out Of The Roth Vs Traditional IRA Calculator

To better prepare inputs and understand the reports produced by this program, you should know the tax consequences of Roth IRAs. The chapter “Roth IRAs Explained” explains some of the terms and tax consequences related to Roth IRAs. Reading the chapter will allow you to examine reports produced, understand them, and explain the results to your clients.

# Installing and Running

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## System Requirements:

Microsoft Windows 2000 or later.

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## Installation

All commands you need to enter will be in **bold** type.

### Installing To A Single Machine

For the purpose of these instructions, we are assuming that your CD drive is drive D, if it is not, please make the appropriate changes. To install the program to a single machine, use the following steps:

1. Click on the **Start** button.
2. Click on the **Run** menu item.
3. Type **D:SETUP** and press the **ENTER** key.
4. Follow the instructions in the installation program.

### Network Installation

Network installations instructions are provided in a separate document to customers that have purchased rights to use this program on additional desktops.

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## Updates

We would like to be perfect, but we are not. On occasion we make minor changes to the program to solve such problems. You can download the “bug fix” updates from our Website at <http://denvertax.com/roth-regular-traditional-ira>. If you are unable to access our Website, and you are having difficulties, please call us at 1-800-326-6686.

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## Running The DTS Roth Vs. Traditional IRA Calculator

The Installation program will create a "Denver Tax Software" Start Group, if it doesn't already exist. This basis calculator will be placed within this group.

To start this basis calculator, click on the **Start** button, click on the **Programs** button, click on the **Denver Tax Software** program group, then click on the program's icon.

# Roth IRAs Explained

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## Overview

“Regular” or “Traditional” IRAs generally result in a deduction when a contribution is made to the account, and any funds distributed from the “Regular” IRA are taxed. Earnings accumulated within the Regular IRA are not taxed until they are distributed.

Roth IRAs do not generate deductions when they are funded, but distributions are not taxed. Earnings accumulated within a Roth IRA are not subject to income tax.

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## The Law -- I.R.C. §408A

### Effective Date

The Roth IRA is effective for years after December 31, 1997.

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## Rollovers

All filers, except Married Filing Separately, may rollover their regular IRA to a Roth IRA if their AGI does not exceed \$100,000. For the purpose of that AGI calculation, the IRA rollover income can be excluded.

For rollovers in 2010, the \$100,000 limitation is suspended.

In general, the amount of rollover is included in income. For rollovers in 2010, the rollover income may be spread 2011 and 2012.

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## Distributions

In general, Roth IRA distributions are not taxable. The distribution must be made after a five year period which begins with the first year that a contribution is made to the Roth IRA. In addition to the five year period one of the following must be met:

- The individual is over 59½.
- The individual has died.
- The individual becomes disabled.
- The individual qualifies for a special distribution.

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## Estate Taxes

IRAs can be subjected to estate taxes and the beneficiaries of traditional IRAs are subject to income tax when the IRAs are distributed. A very brief rundown of taxes that can occur after death are as follows:

**Estate Tax.** If the net assets of the estate exceed the estate tax exemption amount, estate tax will be due.

**Beneficiary's Tax.** For a traditional IRA, the beneficiaries will pay tax on the IRA distributions that they received. If there was estate tax on the traditional IRA, the beneficiaries will receive a deduction for Income in Respect of Decedent (IRD). This IRD deduction should be computed by taking the difference of the estate tax with and without the IRD. For the purposes of the program, the IRD deduction will be computed by multiplying the IRD by the estate tax rate.

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## Economics

If it was such a simple decision on whether to rollover or contribute to a Roth IRA, you would not have purchased this program, and, for that matter, we wouldn't have taken the time to commit programming time to it.

The primary tool used to determine whether a Roth or regular IRA is better is the Net Present Value calculation. That is because there is a time value of money. A dollar today is much more valuable than a dollar twenty years from now. Since determining cashflows is the starting point for a net present value calculation, we also present the annual cashflows. The Detailed Report and Summary Report present what the total cashflow amounts are. Don't be fooled. The net present value amounts are what you should base your decisions on. Looking at the total cashflow instead of the net present value could easily cause one to make the wrong decision.

### “But That Money Would Have Earned Something If It Was Invested”

The most common question that is raised about this program's analysis is, “How does the program show the lost opportunity cost when one uses personal (non IRA) funds to pay the IRA rollover tax?” The program will show negative cashflows for the year(s) when the rollover tax is paid; that is strictly for the tax. Some expect to see additional negative cashflows for the lost income that could have been received if that rollover tax was not paid. This is the time value of money issue.

*How does the program show the lost opportunity cost when one uses personal (non IRA) funds to pay the IRA rollover tax?* The program's net present value calculation takes into consideration that the investor can put his or her money to work now. You have control over how this is handled by choosing an appropriate Cost Of Capital which is one of the inputs. If the investor can earn 10% before tax and is in at a 40% tax rate, use 6% ( $10\% - 10\% \times 40\%$ ) as the Cost Of Capital.

If the program's Net Present Value analysis in the Summary Report shows that the investor is better off by \$5,000, that means that the investor will get his or her investment back, plus a pre tax 10% rate of return, plus, in term's of today's dollars, another \$5,000. On the other hand, if the program's Net Present Value analysis in the Summary Report shows that the investor is worse off by \$5,000, that means that the investor will get his or her investment back, plus a pre tax 10% rate of return, *reduced*, in term's of today's dollars, by \$5,000.

For those that want a better understanding of this, you can look at the NPV.XLS, Excel spreadsheet program that installs to the program's application directory, probably, *C:\Program Files\Denver Tax Software\Roth*.

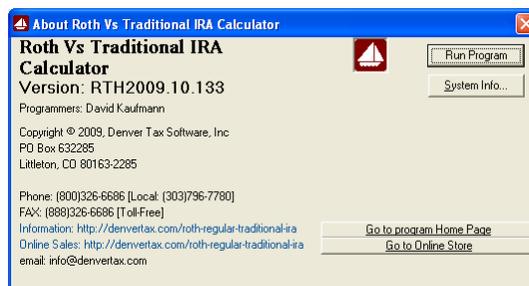
## Factors That Favor Roth IRAs

- A low cost of capital.
- High rates of return.
- The 2010 two year spread in 2011 and 2012.
- Post retirement tax rates the same or higher than pre-retirement tax rates. This goes against what people expect of retirement tax rates, but some people can earn more in retirement, e.g. inheritance, or our government may decide that tax rates are just too low.
- A relatively short period between the funding of the Roth IRA and the distributions.
- A combination of these factors is important! A combination of a low cost of capital and high rates of returns strongly favors a Roth IRA.

# Using the Roth Vs Regular IRA Analyzer

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## Getting Started



The first thing you will see when loading the program is the About box. This screen lets you know that you have loaded the Denver Tax Software - Roth Vs Regular IRA Calculator. It also provides information on the program's version number and gives you information on Denver Tax Software, Inc. If you ever need to know any of this information you can always get it here.

To close the About box and start your work, click on the **Run Program** button or press **ENTER**.

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## Entering Information

The Roth Vs Regular IRA Calculator uses the normal input procedures that most Windows programs use. To move from one input to another you can either use the mouse to select the input item you want, or press the **TAB** key to move through them. To exit an input screen you can press the **ENTER** key or use the mouse to click on the appropriate button.

When working with an input form, the **OK** button or **ENTER** key will exit the form and preserve the information you entered. **Cancel** buttons are used to exit the form without preserving the information you entered.

You may find it easier to enter numeric information using the numeric keypad. If so, make sure the **Num Lock** key is on.

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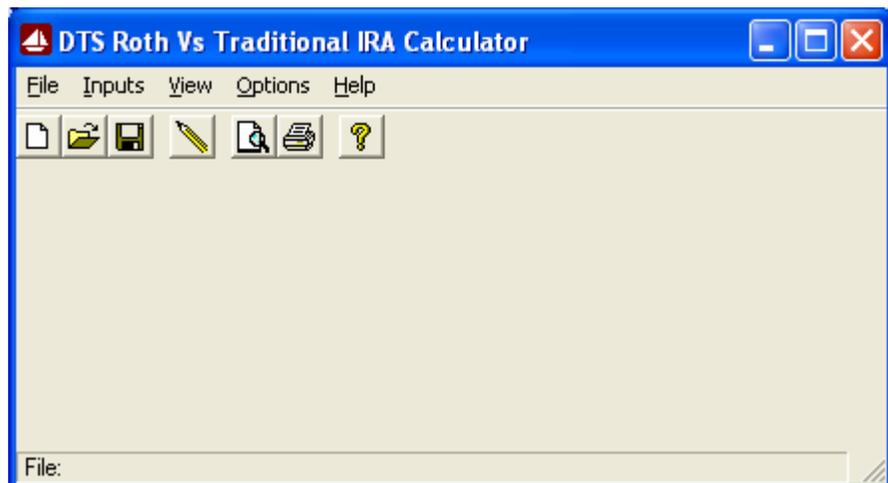
## The Startup Screen



After the About box vanishes, the Startup Options screen will appear. With this screen you can choose whether you want to Start With A New File (a new scenario), Start With An Old File (a scenario you previously saved) or go to the program's Main Window.

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## The Main Screen



The Main Screen is similar to your desktop. From here you can select the different actions you want to perform. The Main Screen contains the various menus that you will use to do your work. Each menu is listed below with a description of the actions performed by the menu items.

### File:

#### New:

The **New** menu item will prepare a new file for you to work with. Whenever you start a new file you should also use the **Save As...** menu item to name it.

### **Open...:**

The **Open...** menu item allows you to load an old file from disk.

### **Save:**

The **Save** menu item allows you to save your current work to a file. If you are saving a new file, you should first use the **Save As...** menu item to give the file a name (unless you have already named it). If the file doesn't have a name it will be saved as UNTITLED.RTH.

### **Save As...:**

The **Save As...** menu item allows you to enter a file name and directory to save your file in. It is a good idea to name the file in a way that will allow you to easily identify it later. For example, if the client's name is John Holland, you might want to name the file JHOLL01.RTH. Remember names must be no longer than eight(8) characters, followed by .RTH.

### **Print Preview...:**

The **Print Preview** menu item allows you to preview on the screen reports generated from the file you are working on.

### **Print...:**

The **Print...** menu item allows you to select and print reports generated from the file you are working on.

### **Exit:**

The **Exit** menu item quits the program

## **View:**

### **Display Reports...:**

The **Display Reports...** menu item is similar to the **File, Print Preview**. This menu choice lets you preview reports on the screen.

## **Inputs:**

### **Inputs...:**

The **Inputs** screen is where you will enter your information.

## **Help**

### **Contents...:**

The **Contents...** menu item will load the Roth Vs Traditional IRA Analyzer's on-line help system. The on-line help system provides you with a quick way to view this manual and get help while working with the program. To use this, you will need either the Adobe Reader or Acrobat.

### **About...:**

The **About...** menu item loads the program's About box, providing you with information on this program, and on Denver Tax Software, Inc.

# Inputs

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## General Inputs

General | Contributions | Distributions | Tax

Change or set filename

Name of IRA Owner: \_\_\_\_\_

Optional Second Line: \_\_\_\_\_

IRA Owner's Birthday: / /

Spouse's Birthday: / /

Cost Of Capital (5.5% = 5.5): 3

You can change or choose a filename by clicking on the button

OK Cancel

### Change or set filename



Click on the  button to choose or change a filename.

*This is an improvement on the Windows interface. With most Windows programs, when you click on a form's OK button you just move to the next screen. When you click on the OK button in this program, it actually saves your data for you.*

### Name

Enter the name of the IRA owner.

## Optional 2nd Line

This will be the line below the name of the IRA owner on all reports. You might want to use the date or some description of the scenario.

## IRA Owner's Birthday

This is optional. Enter the IRA owner's birthday so the program can calculate the IRA owner's age.

## Spouse's Birthday

This is optional. If there is a spouse, enter the spouse's birthday so the program can calculate the spouse's age.

## Cost Of Capital

Enter the after - tax Cost Of Capital. The Cost Of Capital is used to discount after - tax cashflows back to either the year of the rollover or the first year of annual contributions. The Cost Of Capital should be the minimum after - tax rate of return that this investor would require before making an investment.

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## Contribution Inputs

General | **Contributions** | Distributions | Tax

Rate Of Return On IRA Funds (5.5% = 5.5): 3

Check the box if this is a rollover from a Traditional IRA. (Leave this unchecked for annual contributions.)

Rollover Information

Pay Rollover Tax Using IRA Funds      Rollover Year: 2010

Check for 10% Early Distribution Penalty      Rollover Amount: 0

Pay Rollover Tax In 2011 & 2012.      Nondeductible IRA included in Rollover Amount: 0

Contribution Information

Annual Contribution Amount: 0

Year That Annual Contributions Start:

Year That Annual Contributions Stop:

You can change or choose a filename by clicking on the button

OK      Cancel

## Rate Of Return On IRA Funds

Enter the rate that the IRA funds would grow each year. If the IRA funds are invested in fixed interest funds, the rate of return would be the interest rate.

## **Check the box if this is a rollover from a Traditional IRA**

Check this box for IRA rollover situations. Leave this box blank for situations where there will be annual contributions to the IRA.

## **Pay Rollover Tax Using IRA Funds**

Check the box if you want to use IRA funds to pay for the rollover tax. Using IRA funds to pay for the rollover, reduces to funds available for the Roth IRA. This procedure will should most likely also result in penalty tax for early IRA distributions for those not yet 59½.

The program will retain some of the Rollover Amount funds in the Regular IRA for payment of the rollover tax, payment of tax from the distribution from the Regular IRA and payment of any early distribution penalty.

## **Check for 10% Early Distribution Penalty**

Check this box if the rollover taxes are paid from IRA funds, and there will be an early distribution penalty for withdrawing those IRA funds.

## **Pay Rollover Tax In 2011 & 2012**

Check this box to spread the income for the Roth conversion over 2011 and 2012. Leave the box unchecked to include the rollover income entirely in the rollover year.

## **Rollover Year**

This input is only available, if the IRA Contribution Method is “Rollover from a regular IRA.” Enter the rollover year. This would be the year when the regular IRA is rolled into the Roth IRA.

This year is important for several reasons. First, if the rollover year is 1998, the additional income for this rollover can be spread over four years. Second, this is year zero of the Net Present Value calculation.

## **Rollover Amount**

This input is only available, if the IRA Contribution Method is “Rollover from a regular IRA.” Enter the amount of regular IRA funds that will be rolled into the Roth IRA.

This should be before any reductions for payment of rollover tax or nondeductible IRAs. For example, if there is \$10,000 in a regular IRA available for rollover, some of that will be used to pay the rollover tax and \$2,000 of that represents nondeductible IRA contributions, enter 10000 for the Rollover amount.

## **Nondeductible IRA included in Rollover Amount**

Enter the any nondeductible IRA contributions included in the Rollover Amount. It is important to include any nondeductible IRA contributions in the Rollover Amount for the program to correctly make an analysis.

## Annual Contribution Amount

This input is only available, if "Check the box if this is a rollover from a Traditional IRA." is unchecked. Enter the amount that would be contributed annually. The program does not check to see if this amount would be limited. It is up to the user to determine what this amount should be.

## Year That Annual Contributions Start

This input is only available, if "Check the box if this is a rollover from a Traditional IRA." is unchecked." Enter the year when the annual IRA contributions would start.

## Year That Annual Contributions End

This input is only available, if "Check the box if this is a rollover from a Traditional IRA." is unchecked. Enter the year when the annual IRA contributions would end.

---

## Distribution Inputs

The screenshot shows a dialog box with four tabs: General, Contributions, Distributions (selected), and Tax. The 'Distributions' tab contains the following fields and options:

- First Year Of Retirement: 2020
- Make Distributions From Roth
- Distribute over a fixed number of years. (Unchecked to distribute funds using fixed annual after-tax amounts).
- Withdraw IRA Funds Over How Many Years: 0
- Annual After-Tax IRA Withdrawal Amount: 0

At the bottom, there is a text box with the instruction: "Check this box for IRA rollover situations. Leave this box blank for situations where there will be annual contributions to the IRA." Below this text box are 'OK' and 'Cancel' buttons.

## First Year Of Retirement

Enter the year when retirement begins. This is the first year when distributions will start.

## Make Distributions From Roth

If you do not want any distributions taken from the Roth IRA, uncheck this box. Many that do not need income from the Roth IRA may want it to accumulate.

## Distribute over fixed number of years. (Unchecked to distribute funds using fixed annual after-tax amounts)

Your choices for distribution methods are:

- **Checked:** Distribution Over A Fixed Number Of Years. Choose this if the IRA owner wants the IRA funds to last a certain length of time.
- **Unchecked:** Fixed Annual After - Tax Amounts. This is for the situation where the IRA owners says that they need a certain amount each year to pay living expenses. For example, if one needs \$20,000 to live on each year from the IRA funds, enter 20000.

## Withdraw IRA Funds Over How Many Years

This input is only available, if "Distribute over a fixed number of years" is **checked**. Enter the number of years, beginning with the First Year Of Retirement, that the funds will be distributed. The program will divide the beginning balance, plus income for the year, by the remaining number of years to arrive at the annual distribution. If the number of years runs to the Year When Estate Tax Is Paid, distributions will stop the year before the Year When Estate Tax Is Paid.

## Annual After - Tax Payment Amount

This input is only available, if "Distribute over a fixed number of years" is **unchecked**. Method is "Fixed Annual After - Tax Amounts." Enter the amount of annual after - tax funds that the IRA owner wants to receive each year. For regular IRAs, the amount that will be distributed will be increased so that taxes can be removed. E.g., if the Tax Rate During Retirement is 20% and the Fixed Annual After - Tax Amount is \$20,000, the regular IRA distribution would be \$25,000, which would result in an after - tax distribution of \$20,000 ( $25,000 - 25,000 \times .2$ ), and the Roth IRA distribution would be \$20,000, since it is tax - free. If funds run out before the Year When Estate Tax Is Paid, there will be no further distributions. If funds are available in the Year When Estate Tax Is Paid, those funds will be treated as distributed in the Year When Estate Tax Is Paid, in which case estate tax will be paid on those funds and the remaining balance will be subject to income tax for the Regular IRA situation, but not subject to income tax for the Roth IRA situation.

# Tax Inputs

General | Contributions | Distributions | Tax

Current Tax Rate (28% = 28): 0

Tax Rate During Retirement (28% = 28): 0

Rate For Estate Tax (45% = 45): 0

Year When Estate Tax Is Paid: 2040

Beneficiary's Tax Rate(28% = 28): 0

Check this box for IRA rollover situations. Leave this box blank for situations where there will be annual contributions to the IRA.

OK Cancel

## Current Tax Rate

Enter the marginal income tax rate up to the First Year Of Retirement. The marginal rate would be the tax rate on the last dollar of income.

## Tax Rate During Retirement

Enter the marginal income tax rate on and after the First Year Of Retirement. The marginal rate would be the tax rate on the last dollar of income.

## Rate For Estate Tax

Enter the marginal estate tax rate. The marginal rate would be the tax rate on the last dollar of net assets. If a deduction for Income in Respect of Decedent (IRD) is appropriate, that deduction would be computed by multiplying the IRD by the estate tax rate.

## Year When Estate Tax Is Paid

Enter the year when the estate tax is paid. Any "normal" IRA distributions will stop the year before this year. All IRA funds will be assumed to be distributed in the Year When Estate Tax Is Paid.

## Beneficiary's Tax Rate

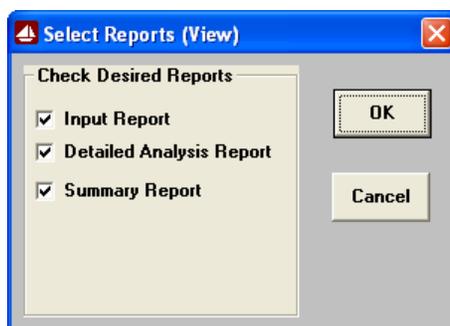
Enter the marginal tax rate of the estate's beneficiary. This is used in computing the tax consequences of inheriting the IRA. If there is more than 1 beneficiary, use an average tax rate.

# Reports

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## Deciding Which Reports To View Or Print

When you select the **V**iew, **D**isplay Reports or **F**ile, **P**rint menu items you will be presented with a screen allowing you to decide which reports you want to view or print. The screen looks like the following:



To select an option, click on the box next to the name and an X will appear in it indicating you have made that selection.

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## Inputs Report

This report provides you with the inputs you entered. It is a good way to verify all of your inputs.

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## Detailed Report

This choice will actually give you up to six reports. For both the regular IRA and Roth IRA scenarios, you will get an IRA Activity Report, Cashflow Report and Estate Tax Report.

### IRA Activity Report

This report shows how the annual balance changes due to contributions, income and distributions. To generate this report the program makes assumptions as follows:

- IRA contributions and rollovers are made on January 1.

- Distributions are made on December 31 after income is received.
- A full year's income is calculated on the year's beginning balance, plus, any contributions or rollovers.

## **Cashflow Report**

This report calculates annual taxes, contributions and distributions to determine the after - tax cashflow for each year.

## **Estate Tax Report**

This report will only be present in situations where there is estate tax. This report will show how estate tax is computed for this analysis. This will include, not only estate tax, but also income taxes that beneficiaries of the estate will need to pay.

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## **Summary Report**

This report summarizes the information presented in the Detailed Report. It shows whether one is better off from both a cashflow and time value of money (Net Present Value) approach to be in a Roth IRA versus a regular IRA.

# Tutorials – Examples

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## A New Scenario Example

Most of the time it doesn't make much difference whether you use the **TAB** or **ENTER** key. This tutorial will use the **ENTER** key whenever possible. When the tutorial directs you to use the **TAB** key, that would be a situation where using the **TAB** and **ENTER** keys will make the program function differently.

Start the program. If you have any questions on how to do this, see “[Running The DTS Roth Vs. Traditional IRA Calculator](#)” on page 4.

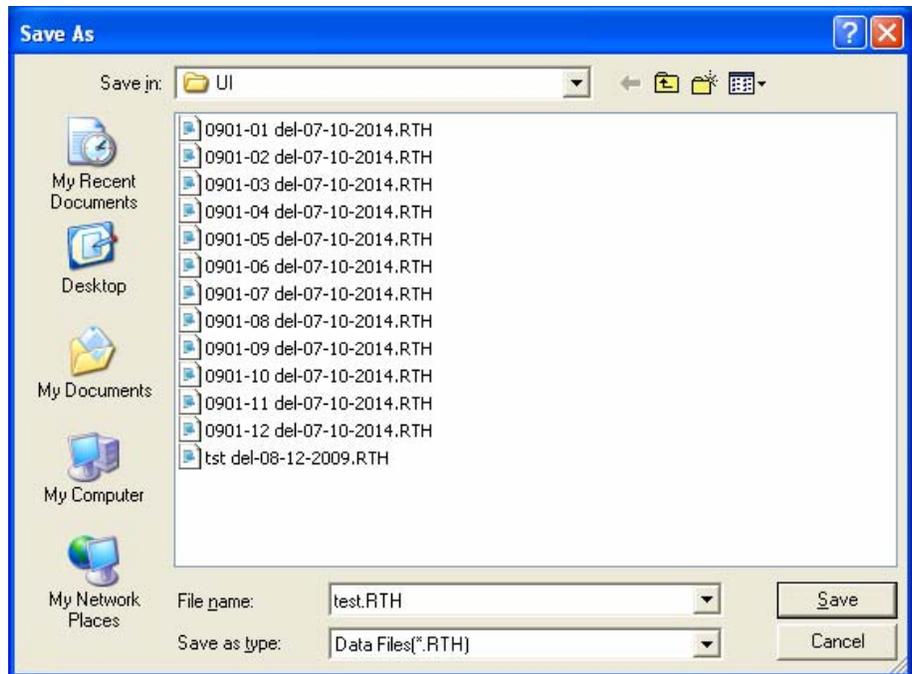
The first screen is the *About...* window. **Click** on the **Run Program** button.



At the *Startup Options* screen, **click** on the **New Scenario** button. This will immediately bring up the input screen.



**Click** on the *Change or set filename* button.



In the **Save As** screen, type **test** in the **File name** input. Click the **Save** button to return to the input screen. Press the **TAB** key.

For the **Name of IRA Owner** input enter **John Doe** and press the **ENTER** key.

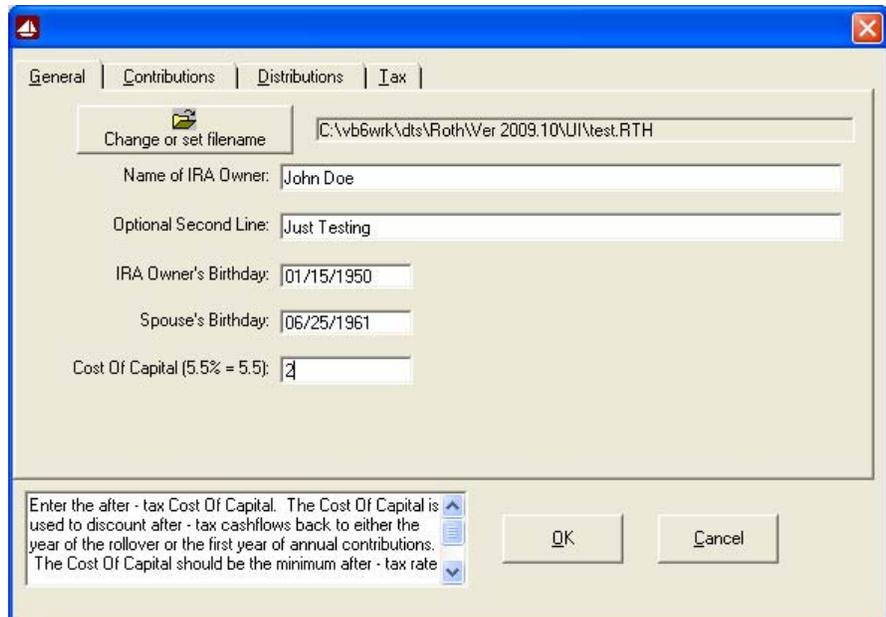
For the **Optional Second** input enter **Just Testing** and press the **ENTER** key.

For the **IRA Owner's Birthday** input enter **01/15/1950** and press the **ENTER** key.

For the **Spouse's Birthday** input enter **06/25/1961** and press the **ENTER** key.

For the **Cost Of Capital** input enter **2** and press the **ENTER** key.

At this time, the screen should look like this:



Click on the **Contributions** tab.

For the **Rate Of Return On IRA Funds** input enter **4** and press the **ENTER** key.

**Check the Check the box if this is a rollover from a Traditional IRA** input and press the **ENTER** key.

Leave **Pay Rollover Tax Using IRA Funds** unchecked and press the **ENTER** key. The checkbox, **Check for 10% Early Distribution Penalty**, should be unchecked and grayed out.

**Check the Pay Rollover Tax In 2011 & 2012** input and press the **ENTER** key.

For the **Rollover Year** input enter **2010** and press the **ENTER** key.

For the **Rollover Amount** input enter **400000** and press the **ENTER** key.

For the **Nondeductible IRA included in Rollover Amount** input enter **0** and press the **ENTER** key.

You will not be able to enter **Contribution Information** since this is a rollover scenario.

At this time, the screen should look like this:

The screenshot shows a software window with a blue title bar and a standard Windows-style interface. The window has four tabs: 'General', 'Contributions', 'Distributions', and 'Tax', with 'Tax' selected. The main area contains several input fields and checkboxes. The 'Rate Of Return On IRA Funds (5.5% = 5.5):' field has the value '4'. Below it, a checkbox labeled 'Check the box if this is a rollover from a Traditional IRA. (Leave this unchecked for annual contributions.)' is checked. A section titled 'Rollover Information' contains three rows: the first row has 'Pay Rollover Tax Using IRA Funds' unchecked and 'Rollover Year: 2010'; the second row has 'Check for 10% Early Distribution Penalty' grayed out and 'Rollover Amount: 400,000'; the third row has 'Pay Rollover Tax In 2011 & 2012' checked and 'Nondeductible IRA included in Rollover Amount: 0'. Below this is a 'Contribution Information' section which is disabled, showing 'Annual Contribution Amount: 0', 'Year That Annual Contributions Start:', and 'Year That Annual Contributions Stop:'. At the bottom, there is a text box with the instruction 'Enter any amounts from a Nondeductible IRA that would be rolled into a Roth IRA.' and two buttons labeled 'OK' and 'Cancel'.

Click on the **Distributions** tab.

For the **First Year Of Retirement** input enter **2019** and press the **ENTER** key.

**Check the Make Distributions From Roth** check box and press the **ENTER** key.

**Uncheck the Distribute over a fixed number of years** check box and press the **ENTER** key. The **Withdraw IRA Funds Over How Many Years** input should be grayed out.

For the **Annual After-Tax IRA Withdrawal Amount** input enter **10000** and press the **ENTER** key.

At this time, the screen should look like this:

General | Contributions | Distributions | Tax

First Year Of Retirement: 2019

Make Distributions From Roth

Distribute over a fixed number of years. (Unchecked to distribute funds using fixed annual after-tax amounts).

Withdraw IRA Funds Over How Many Years: 0

Annual After-Tax IRA Withdrawal Amount: 10,000

Enter the amount of the annual after-tax IRA distribution.

OK Cancel

Click on the **Tax** tab.

For the **Current Tax Rate** input enter **30** and press the **ENTER** key.

For the **Tax Rate During Retirement** input enter **36** and press the **ENTER** key.

For the **Rate For Estate Tax** input enter **45** and press the **ENTER** key.

For the **Year When Estate Tax Is Paid** input enter **2039** and press the **ENTER** key.

For the **Beneficiary's Tax Rate** input enter **28** and press the **ENTER** key.

At this time, the screen should look like this:

General | Contributions | Distributions | Tax

Current Tax Rate (28% = 28): 30

Tax Rate During Retirement (28% = 28): 36

Rate For Estate Tax (45% = 45): 45

Year When Estate Tax Is Paid: 2039

Beneficiary's Tax Rate(28% = 28): 28

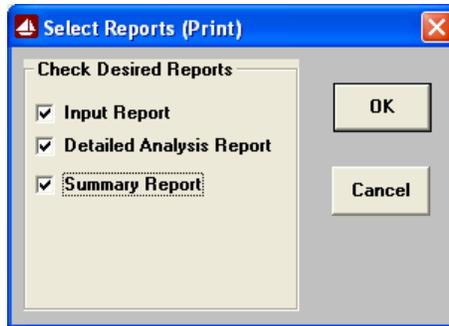
Enter the marginal tax rate of the estate's beneficiary. This is used in computing the tax consequences of inheriting the IRA. If there is more than 1 beneficiary, use an average tax rate.

OK Cancel

Press the **OK** button to save your work and exit the input screens.



Lets get the results. **Click** on the **Print** button.



In the Select Reports screen you can select the reports that you want to run. If all three reports are not already checked, please check all three boxes now. **Click** on the **OK** button.

The next screen will be the standard Windows print dialog box. **Click** on the **OK** button, and the reports will now print.



You are done. Simply exit the program by **clicking** on the **X** button in the upper right corner.

---

## An Old Scenario Example

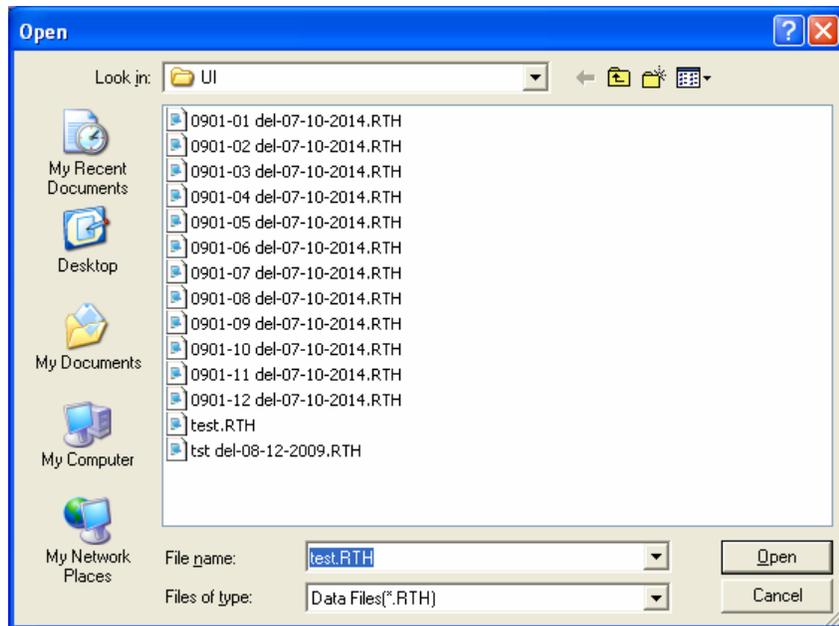
To modify a previously created scenario, we will use the example that we saved in the New Scenario Example. We will change the the amount of the nondeductible IRA included in the rollover amount from \$0 to \$200,000.

Start the program. If you have any questions on how to do this, see “[Running The DTS Roth Vs. Traditional IRA Calculator](#)” on page 4.

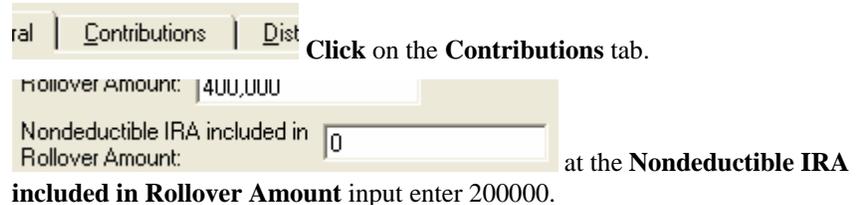
The first screen is the *About...* window. **Click** on the **OK** button.



At the *Startup Options* screen, **click** on the **Old Scenario** button. This will immediately bring up the Open screen.



In the *Open* screen, **click** on **test.RTH** text. **Click** the **Open** button to return to the input screen.



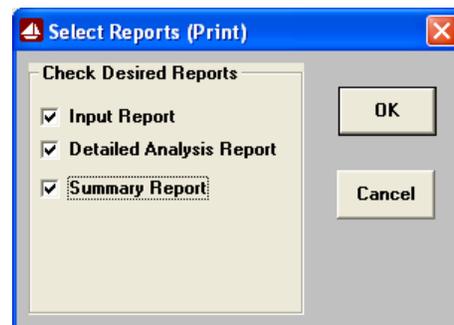
**Click** on the **Contributions** tab.



**Click** on the **OK** button to exit inputs and save your changes.



Lets get the new results. **Click** on the **Print** button.



In the Select Reports screen you can select the reports that you want to run. If all three reports are not already checked, please check all three boxes now. **Click** on the **OK** button.

The next screen will be the standard Windows print dialog box. **Click** on the **OK** button, and the reports will now print.



You are done. Simply exit the program by **clicking** on the **X** button in the upper right corner.

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