

IRA Owner
THIS IS A DEMO!
Roth Vs. Regular IRA Analysis Summary

	NET CASHFLOW TO FAMILY	AFTER-TAX NET PRESENT VALUE
Roth IRA	\$662,325	\$375,440
Regular or Traditional IRA	553,132	338,409
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Savings (-Cost) For Using A Roth IRA	\$109,193	\$37,031
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For this scenario, using a Roth IRA will result in an estimated \$109,193 more cash than using a regular IRA. With the Roth IRA 662,325 more cash should be received than paid out. With a regular IRA 553,132 more cash should be received than paid out.

When considering cashflows that occur at different times, a time value of money analysis is useful. In this analysis, cashflows have been discounted back to the first analysis year using an after tax cost of capital of 2%. For this scenario, a Roth IRA will result in an estimated net present value of \$37,031 better than that from using a regular IRA.

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 Roth Vs. Traditional IRA Analysis

ROTH IRA ACTIVITY REPORT

YEAR	OWN AGE	SP' SE AGE	BEGINNING BALANCE	CONTRI- BUTION	INCOME	DISTRI- BUTIONS	ENDING BALANCE
2010	60	49	400,000	0	16,000	0	416,000
2011	61	50	416,000	0	16,640	0	432,640
2012	62	51	432,640	0	17,306	0	449,946
2013	63	52	449,946	0	17,998	0	467,944
2014	64	53	467,944	0	18,718	0	486,662
2015	65	54	486,662	0	19,466	0	506,128
2016	66	55	506,128	0	20,245	0	526,373
2017	67	56	526,373	0	21,055	0	547,428
2018	68	57	547,428	0	21,897	0	569,325
2019	69	58	569,325	0	22,773	10,000	582,098
2020	70	59	582,098	0	23,284	10,000	595,382
2021	71	60	595,382	0	23,815	10,000	609,197
2022	72	61	609,197	0	24,368	10,000	623,565
2023	73	62	623,565	0	24,943	10,000	638,508
2024	74	63	638,508	0	25,540	10,000	654,048
2025	75	64	654,048	0	26,162	10,000	670,210
2026	76	65	670,210	0	26,808	10,000	687,018
2027	77	66	687,018	0	27,481	10,000	704,499
2028	78	67	704,499	0	28,180	10,000	722,679
2029	79	68	722,679	0	28,907	10,000	741,586
2030	80	69	741,586	0	29,663	10,000	761,249
2031	81	70	761,249	0	30,450	10,000	781,699
2032	82	71	781,699	0	31,268	10,000	802,967
2033	83	72	802,967	0	32,119	10,000	825,086
2034	84	73	825,086	0	33,003	10,000	848,089
2035	85	74	848,089	0	33,924	10,000	872,013
2036	86	75	872,013	0	34,881	10,000	896,894
2037	87	76	896,894	0	35,876	10,000	922,770
2038	88	77	922,770	0	36,911	10,000	949,681
2039	89	78	949,681	0	0	949,681	0

ASSUMPTIONS:

Contributions are made on January 1.
 Distributions are made on December 31.
 Annual income is earned on the Beginning Balance plus the Contributions.

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 Roth Vs. Traditional IRA Analysis

TRADITIONAL IRA ACTIVITY REPORT

YEAR	OWN AGE	SP' SE AGE	BEGINNING BALANCE	CONTRI- BUTION	INCOME	DISTRI- BUTIONS	ENDING BALANCE
2010	60	49	400,000	0	16,000	0	416,000
2011	61	50	416,000	0	16,640	0	432,640
2012	62	51	432,640	0	17,306	0	449,946
2013	63	52	449,946	0	17,998	0	467,944
2014	64	53	467,944	0	18,718	0	486,662
2015	65	54	486,662	0	19,466	0	506,128
2016	66	55	506,128	0	20,245	0	526,373
2017	67	56	526,373	0	21,055	0	547,428
2018	68	57	547,428	0	21,897	0	569,325
2019	69	58	569,325	0	22,773	13,130	578,968
2020	70	59	578,968	0	23,159	13,212	588,915
2021	71	60	588,915	0	23,557	13,291	599,181
2022	72	61	599,181	0	23,967	13,367	609,781
2023	73	62	609,781	0	24,391	13,443	620,729
2024	74	63	620,729	0	24,829	13,515	632,043
2025	75	64	632,043	0	25,282	13,585	643,740
2026	76	65	643,740	0	25,750	13,654	655,836
2027	77	66	655,836	0	26,233	13,719	668,350
2028	78	67	668,350	0	26,734	13,785	681,299
2029	79	68	681,299	0	27,252	13,848	694,703
2030	80	69	694,703	0	27,788	13,908	708,583
2031	81	70	708,583	0	28,343	13,966	722,960
2032	82	71	722,960	0	28,918	14,025	737,853
2033	83	72	737,853	0	29,514	14,081	753,286
2034	84	73	753,286	0	30,131	14,134	769,283
2035	85	74	769,283	0	30,771	14,186	785,868
2036	86	75	785,868	0	31,435	14,237	803,066
2037	87	76	803,066	0	32,123	14,286	820,903
2038	88	77	820,903	0	32,836	14,333	839,406
2039	89	78	839,406	0	0	839,406	0

ASSUMPTIONS:

Contributions are made on January 1.

Distributions are made on December 31.

Annual income is earned on the Beginning Balance plus the Contributions.

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ROTH CASHFLOW REPORT

Cash received by IRA owner is positive, and cash paid is negative.
 Increases in Tax Change are negative, and reductions in tax are positive.

YEAR	OWN AGE	SP' SE AGE	IRA DED.	IRA DIST INC	ROLLOVER INCOME	CHANGE IN TAX. INC.	TAX CHANGE	IRA DISTRIB	IRA CONTRIB	ESTATE TAX	NET CASHFLOW
2010	60	49	0	0	0	0	0	0	0	0	0
2011	61	50	0	0	100,000	100,000	-30,000	0	0	0	-30,000
2012	62	51	0	0	100,000	100,000	-30,000	0	0	0	-30,000
2013	63	52	0	0	0	0	0	0	0	0	0
2014	64	53	0	0	0	0	0	0	0	0	0
2015	65	54	0	0	0	0	0	0	0	0	0
2016	66	55	0	0	0	0	0	0	0	0	0
2017	67	56	0	0	0	0	0	0	0	0	0
2018	68	57	0	0	0	0	0	0	0	0	0
2019	69	58	0	0	0	0	0	10,000	0	0	10,000
2020	70	59	0	0	0	0	0	10,000	0	0	10,000
2021	71	60	0	0	0	0	0	10,000	0	0	10,000
2022	72	61	0	0	0	0	0	10,000	0	0	10,000
2023	73	62	0	0	0	0	0	10,000	0	0	10,000
2024	74	63	0	0	0	0	0	10,000	0	0	10,000
2025	75	64	0	0	0	0	0	10,000	0	0	10,000
2026	76	65	0	0	0	0	0	10,000	0	0	10,000
2027	77	66	0	0	0	0	0	10,000	0	0	10,000
2028	78	67	0	0	0	0	0	10,000	0	0	10,000
2029	79	68	0	0	0	0	0	10,000	0	0	10,000
2030	80	69	0	0	0	0	0	10,000	0	0	10,000

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ROTH CASHFLOW REPORT

Cash received by IRA owner is positive, and cash paid is negative.
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YEAR	OWN AGE	SP' SE AGE	IRA DED.	IRA DIST INC	ROLLOVER INCOME	CHANGE IN TAX. INC.	TAX CHANGE	IRA DISTRIB	IRA CONTRIB	ESTATE TAX	NET CASHFLOW
2031	81	70	0	0	0	0	0	10,000	0	0	10,000
2032	82	71	0	0	0	0	0	10,000	0	0	10,000
2033	83	72	0	0	0	0	0	10,000	0	0	10,000
2034	84	73	0	0	0	0	0	10,000	0	0	10,000
2035	85	74	0	0	0	0	0	10,000	0	0	10,000
2036	86	75	0	0	0	0	0	10,000	0	0	10,000
2037	87	76	0	0	0	0	0	10,000	0	0	10,000
2038	88	77	0	0	0	0	0	10,000	0	0	10,000
2039	89	78	0	0	0	0	0	949,681	0	-427,356	522,325
											662,325
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TRADITIONAL CASHFLOW REPORT

Cash received by IRA owner is positive, and cash paid is negative.
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YEAR	OWN AGE	SP' SE AGE	IRA DED.	IRA DIST INC	ROLLOVER INCOME	CHANGE IN TAX. INC.	TAX CHANGE	IRA DISTRIB	IRA CONTRIB	ESTATE TAX	NET CASHFLOW
2010	60	49	0	0	0	0	0	0	0	0	0
2011	61	50	0	0	0	0	0	0	0	0	0
2012	62	51	0	0	0	0	0	0	0	0	0
2013	63	52	0	0	0	0	0	0	0	0	0
2014	64	53	0	0	0	0	0	0	0	0	0
2015	65	54	0	0	0	0	0	0	0	0	0
2016	66	55	0	0	0	0	0	0	0	0	0
2017	67	56	0	0	0	0	0	0	0	0	0
2018	68	57	0	0	0	0	0	0	0	0	0
2019	69	58	0	8,695	0	8,695	-3,130	13,130	0	0	10,000
2020	70	59	0	8,921	0	8,921	-3,212	13,212	0	0	10,000
2021	71	60	0	9,140	0	9,140	-3,290	13,291	0	0	10,001
2022	72	61	0	9,353	0	9,353	-3,367	13,367	0	0	10,000
2023	73	62	0	9,562	0	9,562	-3,442	13,443	0	0	10,001
2024	74	63	0	9,763	0	9,763	-3,515	13,515	0	0	10,000
2025	75	64	0	9,958	0	9,958	-3,585	13,585	0	0	10,000
2026	76	65	0	10,149	0	10,149	-3,654	13,654	0	0	10,000
2027	77	66	0	10,333	0	10,333	-3,720	13,719	0	0	9,999
2028	78	67	0	10,514	0	10,514	-3,785	13,785	0	0	10,000
2029	79	68	0	10,688	0	10,688	-3,848	13,848	0	0	10,000
2030	80	69	0	10,856	0	10,856	-3,908	13,908	0	0	10,000

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Cash received by IRA owner is positive, and cash paid is negative.
 Increases in Tax Change are negative, and reductions in tax are positive.

YEAR	OWN AGE	SP' SE AGE	IRA DED.	IRA DIST INC	ROLLOVER INCOME	CHANGE IN TAX. INC.	TAX CHANGE	IRA DISTRIB	IRA CONTRIB	ESTATE TAX	NET CASHFLOW
2031	81	70	0	11,019	0	11,019	-3,967	13,966	0	0	9,999
2032	82	71	0	11,180	0	11,180	-4,025	14,025	0	0	10,000
2033	83	72	0	11,334	0	11,334	-4,080	14,081	0	0	10,001
2034	84	73	0	11,483	0	11,483	-4,134	14,134	0	0	10,000
2035	85	74	0	11,628	0	11,628	-4,186	14,186	0	0	10,000
2036	86	75	0	11,768	0	11,768	-4,236	14,237	0	0	10,001
2037	87	76	0	11,904	0	11,904	-4,285	14,286	0	0	10,001
2038	88	77	0	12,035	0	12,035	-4,333	14,333	0	0	10,000
2039	89	78	0	0	0	0	0	839,406	0	-486,277	353,129
											553,132
											=====

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ROTH IRA ESTATE AND BENEFICIARY TAXES

There is no IRD income and no IRD deduction for Roth IRA beneficiaries.

IRA Balance at Death	949,681	
Estate Tax Rate	45%	

Estate Tax		427,356
Income in respect of decedent	0	
Less, deduction for IRD at estate tax rate	0	

Taxable income to beneficiary	0	
Beneficiary's tax rate	28%	

Tax to beneficiary		0

Estate related taxes		427,356
		=====

TRADITIONAL IRA ESTATE AND BENEFICIARY TAXES

IRA Balance at Death	839,406	
Estate Tax Rate	45%	

Estate Tax		377,733
Income in respect of decedent	704,828	
Less, deduction for IRD at estate tax rate	317,173	

Taxable income to beneficiary	387,655	
Beneficiary's tax rate	28%	

Tax to beneficiary		108,544

Estate related taxes		486,277
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Assumptions:

The deduction for IRD to the beneficiary is the product of IRD and the estate tax rate.

The IRA is distributed to the beneficiary at death. Actually the beneficiary will have the option to spread the IRA distribution over a number of years.