T. Rowe Price
Roth IRA
Conversion Worksheet

XXXXXXX   029300

The Roth IRA Conversion Worksheet was developed to help you determine if it is worthwhile to convert your Traditional IRAs to a Roth IRA. To begin using the Roth IRA Conversion Worksheet, just follow these steps:

STEP 1
Assumptions.

Before you begin your comparison, you will need to make certain assumptions:

- expected rate of return,
- years of accumulation,
- years of distribution, and
- tax rates.

  The assumptions can be found on page 2 of this worksheet.

STEP 2
Determine Your Factors.

Use your assumptions and the data from Tables 1 and 2 to determine the factors needed to complete your analysis. Write them in on pages 5 and 6.

STEP 3
Complete the Worksheet.

Now that you have completed Steps 1 and 2, you have all the data necessary to begin entering information into the worksheet on pages 3 and 4.

   When you are done, you should know if it makes sense for you to convert your Traditional IRA to a Roth IRA.

In order to complete the worksheet, it's necessary for you to determine the following assumptions.

The Roth IRA Conversion Worksheet assumes that you are eligible to convert Traditional IRAs to a Roth IRA. See the Roth IRA Conversion Guide or call 1-800-IRA-5000 for details on eligibility.

Accumulation Period
The period of time between when you start your IRA and when you begin to withdraw funds from your account.

1. **Rate of Return During Accumulation**
   This is the annual rate of return you expect to earn on your investments. Determine a percentage ranging from 1% to no more than 12%.   %

2. **Years of Accumulation**
   Select a number of years between five years and 30 years. Five years is the minimum length of time funds must be kept in a Roth IRA to receive tax-free withdrawals. You can take money out before five years, but taxes would be different from those assumed in this worksheet.

3. **Accumulation Period Tax Rate**
   Enter your current federal tax rate. If you wish to include state income taxes in your assumption to determine your combined rate, add your adjusted state tax rate to your federal tax rate using this formula: %

   [federal tax rate] + [(1.00 - federal tax rate) x (state tax rate)] = combined rate.

   Example: 28% + [(1.00 - 0.28) x 0.07]
   28% + [0.72 x 0.07]
   .28 + 0.05 = 0.33

4. **Accumulation Period After-Tax Rate**
   Subtract your tax rate (Line 3) from 1.00 (1.00 - Line 3 = Line 4).   %

5. **Accumulation Period After-Tax Rate of Return**
   Multiply Line 1 by Line 4.   %

Distribution Period
The number of years over which you plan to draw your money down.

6. **Rate of Return During Distribution**
   This is simply the annual rate of return you expect to earn on your investments. Determine a percentage ranging from 1% to no more than 12%. You may choose the same percentage that you used in Line 1.   %

7. **Years of Distribution**
   Select the number of years during which you plan to take distributions. This can range from one to 40 years, based on your life expectancy and the age at which you expect to begin taking distributions.

8. **Distribution Period Tax Rate**
   This may or may not be the same as Line 3. You could be in a lower tax bracket after retiring.   %

9. **Distribution Period After-Tax Rate**
   Subtract your tax-rate (Line 8) from 1.00 (1.00 - Line 8 = Line 9).   %

10. **Distribution Period After-Tax Rate of Return**
    Multiply Line 6 by Line 9.   %

Conversion Analysis

STEP 1
Calculate the Conversion Tax.

11. **Total Value of Traditional IRAs**

    $ _____

12. **Basis Amount**
    Enter any nondeductible contributions you have made, minus any nontaxable withdrawals. You can find this information on IRS Form 8606. If you have not made any nondeductible contributions, enter 0.

    $ _____

13. **IRA Value Subject to Conversion Tax**
    Subtract Line 12 from Line 11. This is the taxable amount of your Traditional IRAs and must be included on your tax return for the year in which the conversion occurs.

    $ _____

14. **Conversion Tax Assessed**
    Multiply Line 13 by Line 3.

    $ _____

STEP 2
Calculate Account Balances at End of Accumulation Period.

15. **Total Value of Traditional IRAs**
    Enter Line 11.

    $ _____

16. **Future Value of Traditional IRAs at End of Accumulation Period**
    Multiply Line 15 by Factor A (see page 5). This is the future value of your Traditional IRAs—whether you decide to convert to a Roth IRA or not. It is assumed that you pay any conversion tax out of an account other than your IRA.

    $ _____

17. **Conversion Tax Assessed**
    Enter Line 14.

    $ _____

18. **Future Value of Conversion "Tax Savings" at End of Accumulation Period**
    Multiply Line 17 by Factor B (see page 5). Assumes the money you would have paid in taxes to convert to a Roth IRA remains invested in a taxable account.

    $ _____

STEP 3
Calculate After-Tax Income From Each Option During Distribution.

Nonconversion Scenario

19. **Future Value of Traditional IRAs at End of Accumulation Period**
    Enter Line 16.

    $ _____

20. **Annual Pretax Payment From Traditional IRAs**
    Divide Line 19 by Factor C (see page 6).

    $ _____

21. If Line 12 has a value greater than 0, enter it here; otherwise, enter 0.

    $ _____

22. **Years of Distribution**
    Enter Line 7.

    _____

23. **Return of Basis**
    Divide Line 21 by Line 22. This is an approximation of the annual amount of each Traditional IRA withdrawal that would be considered a return of your basis.

    $ _____

24. **Annual Traditional IRA Payment Subject to Tax**
    Subtract Line 23 from Line 20.

    $ _____

25. **Distribution Period After-Tax Rate**
    Enter Line 9.

    %

26. **Annual After-Tax Traditional IRA Payment**
    Multiply Line 24 by Line 25.

    $

27. **Return of Basis**
    Enter Line 23.

    $

28. **Annual After-Tax Income From Traditional IRAs**
    Add Lines 26 and 27. This is an approximation.

    $

29. **Years of Distribution**
    Enter Line 7.

30. **Total Distribution Period After-Tax Income**
    Multiply Line 28 by Line 29.

    $

Now, calculate the taxable income that could be provided if you did not convert to the Roth IRA—and instead invested the value of the conversion tax in a taxable account.

31. **Future Value of Conversion "Tax Savings"**
    Enter Line 18.

    $

32. Enter Factor D (see page 6).

33. **Annual After-Tax Payment of Conversion "Tax Savings"**
    Divide Line 31 by Line 32.

    $

34. **Years of Distribution**
    Enter Line 7.

35. **Total Distribution Period After-Tax Income From Conversion "Tax Savings"**
    Multiply Line 33 by Line 34. This income is provided during retirement.

    $

36. **Total Distribution Period After-Tax Income**
    Add Lines 30 and 35. This is the income that would be available to you while
    in the distribution period if you do not convert.

    $

Conversion Scenario

37. **Roth IRA Final Accumulation Value**
    Enter Line 16.

    $

38. Enter Factor C (see page 6).

39. **Annual After-Tax Payment From Roth IRA**
    Divide Line 37 by Line 38.

    $

40. **Years of Distribution**
    Enter Line 7.

41. **Total Distribution Period After-Tax Income From Roth IRA**
    Multiply Line 39 by Line 40. This income is provided in the distribution period.

    $

42. Enter the greater of Lines 36 and 41. This is the option (nonconversion or
    conversion) providing you with the most after-tax income.

Conversion Analysis Factors

| Table 1 | Use this table to calculate Factors A and B. |

Factor A: In the far left column of Table 1, find the years of accumulation you assumed on Line 2. Then, across the top row of Table 1, locate your assumed rate of return during accumulation (from Line 1). The corresponding number related to both variables will provide you with Factor A.

(Example: If you assumed 10 years of accumulation and a 10.0% rate of return during accumulation, the number is 2.59.)

Factor A

# of Years	1.0%	2.0%	3.0%	4.0%	5.0%	6.0%	7.0%	8.0%	9.0%	10.0%	11.0%	12.0%
						Interest Rate						
1	1.01	1.02	1.03	1.04	1.05	1.06	1.07	1.08	1.09	1.10	1.11	1.12
2	1.02	1.04	1.06	1.08	1.10	1.12	1.14	1.17	1.19	1.21	1.23	1.25
3	1.03	1.06	1.09	1.12	1.16	1.19	1.23	1.26	1.30	1.33	1.37	1.40
4	1.04	1.08	1.13	1.17	1.22	1.26	1.31	1.36	1.41	1.46	1.52	1.57
5	1.05	1.10	1.16	1.22	1.28	1.34	1.40	1.47	1.54	1.61	1.69	1.76
6	1.06	1.13	1.19	1.27	1.34	1.42	1.50	1.59	1.68	1.77	1.87	1.97
7	1.07	1.15	1.23	1.32	1.41	1.50	1.61	1.71	1.83	1.95	2.08	2.21
8	1.08	1.17	1.27	1.37	1.48	1.59	1.72	1.85	1.99	2.14	2.30	2.48
9	1.09	1.20	1.30	1.42	1.55	1.69	1.84	2.00	2.17	2.36	2.56	2.77
10	1.10	1.22	1.34	1.48	1.63	1.79	1.97	2.16	2.37	2.59	2.84	3.11
11	1.12	1.24	1.38	1.54	1.71	1.90	2.10	2.33	2.58	2.85	3.15	3.48
12	1.13	1.27	1.43	1.60	1.80	2.01	2.25	2.52	2.81	3.14	3.50	3.90
13	1.14	1.29	1.47	1.67	1.89	2.13	2.41	2.72	3.07	3.45	3.88	4.36
14	1.15	1.32	1.51	1.73	1.98	2.26	2.58	2.94	3.34	3.80	4.31	4.89
15	1.16	1.35	1.56	1.80	2.08	2.40	2.76	3.17	3.64	4.18	4.78	5.47
16	1.17	1.37	1.60	1.87	2.18	2.54	2.95	3.43	3.97	4.59	5.31	6.13
17	1.18	1.40	1.65	1.95	2.29	2.69	3.16	3.70	4.33	5.05	5.90	6.87
18	1.20	1.43	1.70	2.03	2.41	2.85	3.38	4.00	4.72	5.56	6.54	7.69
19	1.21	1.46	1.75	2.11	2.53	3.03	3.62	4.32	5.14	6.12	7.26	8.61
20	1.22	1.49	1.81	2.19	2.65	3.21	3.87	4.66	5.60	6.73	8.06	9.65
21	1.23	1.52	1.86	2.28	2.79	3.40	4.14	5.03	6.11	7.40	8.95	10.80
22	1.24	1.55	1.92	2.37	2.93	3.60	4.43	5.44	6.66	8.14	9.93	12.10
23	1.26	1.58	1.97	2.46	3.07	3.82	4.74	5.87	7.26	8.95	11.03	13.55
24	1.27	1.61	2.03	2.56	3.23	4.05	5.07	6.34	7.91	9.85	12.24	15.18
25	1.28	1.64	2.09	2.67	3.39	4.29	5.43	6.85	8.62	10.83	13.59	17.00
26	1.30	1.67	2.16	2.77	3.56	4.55	5.81	7.40	9.40	11.92	15.08	19.04
27	1.31	1.71	2.22	2.88	3.73	4.82	6.21	7.99	10.25	13.11	16.74	21.32
28	1.32	1.74	2.29	3.00	3.92	5.11	6.65	8.63	11.17	14.42	18.58	23.88
29	1.33	1.78	2.36	3.12	4.12	5.42	7.11	9.32	12.17	15.86	20.62	26.75
30	1.35	1.81	2.43	3.24	4.32	5.74	7.61	10.06	13.27	17.45	22.89	29.96
35	1.42	2.00	2.81	3.95	5.52	7.69	10.68	14.79	20.41	28.10	38.57	52.80
40	1.49	2.21	3.26	4.80	7.04	10.29	14.97	21.72	31.41	45.26	65.00	93.05

Factor B: In the far left column of Table 1, find the years of accumulation you assumed on Line 2. Then, across the top row of Table 1, locate your assumed accumulation period after-tax rate of return (from Line 5). The corresponding number related to both variables will provide you with Factor B.

(Example: If you assumed 10 years of accumulation and a 7.0% accumulation period after-tax rate of return, the number is 1.97.)

Factor B

See Page 6 For Factors C and D.

General Factors

Table 2	Use this table to calculate Factors C and D.

# of Years	1.0%	2.0%	3.0%	4.0%	5.0%	6.0%	7.0%	8.0%	9.0%	10.0%	11.0%	12.0%
1	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
2	1.99	1.98	1.97	1.96	1.95	1.94	1.93	1.93	1.92	1.91	1.90	1.89
3	2.97	2.94	2.91	2.89	2.86	2.83	2.81	2.78	2.76	2.74	2.71	2.69
4	3.94	3.88	3.83	3.78	3.72	3.67	3.62	3.58	3.53	3.49	3.44	3.40
5	4.90	4.81	4.72	4.63	4.55	4.47	4.39	4.31	4.24	4.17	4.10	4.04
6	5.85	5.71	5.58	5.45	5.33	5.21	5.10	4.99	4.89	4.79	4.70	4.60
7	6.80	6.60	6.42	6.24	6.08	5.92	5.77	5.62	5.49	5.36	5.23	5.11
8	7.73	7.47	7.23	7.00	6.79	6.58	6.39	6.21	6.03	5.87	5.71	5.56
9	8.65	8.33	8.02	7.73	7.46	7.21	6.97	6.75	6.53	6.33	6.15	5.97
10	9.57	9.16	8.79	8.44	8.11	7.80	7.52	7.25	7.00	6.76	6.54	6.33
11	10.47	9.98	9.53	9.11	8.72	8.36	8.02	7.71	7.42	7.14	6.89	6.65
12	11.37	10.79	10.25	9.76	9.31	8.89	8.50	8.14	7.81	7.50	7.21	6.94
13	12.26	11.58	10.95	10.39	9.86	9.38	8.94	8.54	8.16	7.81	7.49	7.19
14	13.13	12.35	11.63	10.99	10.39	9.85	9.36	8.90	8.49	8.10	7.75	7.42
15	14.00	13.11	12.30	11.56	10.90	10.29	9.75	9.24	8.79	8.37	7.98	7.63
16	14.87	13.85	12.94	12.12	11.38	10.71	10.11	9.56	9.06	8.61	8.19	7.81
17	15.72	14.58	13.56	12.65	11.84	11.11	10.45	9.85	9.31	8.82	8.38	7.97
18	16.56	15.29	14.17	13.17	12.27	11.48	10.76	10.12	9.54	9.02	8.55	8.12
19	17.40	15.99	14.75	13.66	12.69	11.83	11.06	10.37	9.76	9.20	8.70	8.25
20	18.23	16.68	15.32	14.13	13.09	12.16	11.34	10.60	9.95	9.36	8.84	8.37
21	19.05	17.35	15.88	14.59	13.46	12.47	11.59	10.82	10.13	9.51	8.96	8.47
22	19.86	18.01	16.42	15.03	13.82	12.76	11.84	11.02	10.29	9.65	9.08	8.56
23	20.66	18.66	16.94	15.45	14.16	13.04	12.06	11.20	10.44	9.77	9.18	8.64
24	21.46	19.29	17.44	15.86	14.49	13.30	12.27	11.37	10.58	9.88	9.27	8.72
25	22.24	19.91	17.94	16.25	14.80	13.55	12.47	11.53	10.71	9.98	9.35	8.78
26	23.02	20.52	18.41	16.62	15.09	13.78	12.65	11.67	10.82	10.08	9.42	8.84
27	23.80	21.12	18.88	16.98	15.38	14.00	12.83	11.81	10.93	10.16	9.49	8.90
28	24.56	21.71	19.33	17.33	15.64	14.21	12.99	11.94	11.03	10.24	9.55	8.94
29	25.32	22.28	19.76	17.66	15.90	14.41	13.14	12.05	11.12	10.31	9.60	8.98
30	26.07	22.84	20.19	17.98	16.14	14.59	13.28	12.16	11.20	10.37	9.65	9.02
35	29.70	25.50	22.13	19.41	17.19	15.37	13.85	12.59	11.52	10.61	9.83	9.16
40	33.16	27.90	23.81	20.58	18.02	15.95	14.26	12.88	11.73	10.76	9.94	9.23

Interest Rate (column header spanning 1.0%–12.0%)

Factor C: In the far left column of Table 2, find the years of distribution you assumed on Line 7. Then, across the top row of Table 2, locate your assumed rate of return during distribution (from Line 6). The corresponding number related to both variables will provide you with Factor C.

(Example: If you assumed 25 years of distribution and an 8.0% rate of return during distribution, the number is 11.53.)

Factor C

Factor D: In the far left column of Table 2, find the years of distribution you assumed on Line 7. Then, across the top row of Table 2, locate your assumed distribution period after-tax rate of return (from Line 10). The corresponding number related to both variables will provide you with Factor D.

(Example: If you assumed 25 years of distribution and a 6.0% distribution period after-tax rate of return, the number is 13.55.)

Factor D