

Roth make sense for retirees with higher income:
~\$100,000 taxable income for single
and ~\$200,000 for married, joint filers

Converting to Roth avoids paying taxes that you do not need to pay.

== Avoid Medicare premium surcharges ("taxes") ==

All those on Medicare pay a portion of Medicare's total annual spending/enrollee. You usually pay the base premium as a deduction from gross Social Security benefits. Very high RMDs + other income can result in high taxable income that triggers surcharges in Medicare premiums: Medicare's Income Related Monthly Adjustment Amount (IRMAA). Fewer than 10% of all taxpayers pay IRMAA surcharges.

The first income tripwire costs about \$1,000/year per taxpayer. The next three tripwires are about \$1,500/year per taxpayer.

If you are detailed in your tax planning – where you get your money for spending in when retired – you would like to use Roth for some of your spending, not added withdrawals from a traditional IRA or sales of taxable securities, to keep your income level below a tripwire that triggers a higher Medicare surcharge.

Tripwires used with 2022 return to determine if you have triggered a surcharge in CY 2024.
The best guide we have to plan our 2023 MAGI.

Single Filer. Double if Married, Joint filer

	MAGI	B+D Surcharge	Cum Surcharge
Tripwire #1	\$102,500	\$994	\$994
Tripwire #2	\$129,000	\$1,504	\$2,497
Tripwire #3	\$161,000	\$1,504	\$4,001
Tripwire #4	\$193,000	\$1,502	\$5,503
Tripwire #5	\$500,000*	\$502	\$6,005

* \$750,000 for Joint, Married

Surcharge is in addition to \$2,098 that all pay

== The jump from 24% to 32% ==

The 32% bracket starts at very high income. I assume you are married, joint filers now, near the start of the 24% bracket with more than \$200,000 of ordinary taxable income. Once one of you dies, the survivor will be in the 32% marginal bracket.

If you are near the 24% tax bracket as married, joint filers, the surviving spouse will be very near the 32% bracket.

Start of bracket 2024	24%	32%
Married, Joint filers	\$201,051	\$383,900
Single Filer	\$100,525	\$191,950

If you pay tax at 24% but avoid paying tax at 32%, you keep ~12% more after taxes.