

The Backdoor Roth Strategy

A backdoor Roth IRA provides high-income earners with a way to contribute to a Roth IRA, even if their income exceeds IRS contribution limits.

1

Confirm your income is above the Roth IRA contribution threshold

2

Confirm you have \$0 in existing pre-tax IRA accounts to avoid the pro-rata rule causing tax complications

3

Contribute the current year max contribution to a Traditional IRA from your bank or brokerage

4

Immediately convert that entire contribution from the Traditional IRA to a Roth IRA

5

Ensure the converted funds in the Roth IRA are appropriately invested

6

Complete IRS Form 8606 when you prepare your tax return