Building Wealth with a Roth IRA

The Strategy in 60 Seconds

Pay tax on the seed, never on the harvest. Here's exactly how a Roth IRA works, and how to reach the money early, in sixty seconds.

$24,000

TAX ON A $100,000 CONVERSION AT THE 24% BRACKET

THE ROTH LAYER CAKE

- **CONTRIBUTIONS COME OUT FIRST - Any time, 0% tax, 0% penalty**
- **CONVERSIONS COME OUT NEXT - Each has its own 5-year clock**
- **EARNINGS COME OUT LAST - Need age 59 1/2 and 5 years**

KNOW YOUR NUMBERS

- 2025: $7,000
- Age 50+: add $1,000
- 2026: $7,500
- Age 50+: add $1,100
- Deadline: April 15
- Earned income required

APRIL 15 IS THE 2025 CUTOFF

The Law Behind It (primary sources)

Verify against the source before relying. This is education, not legal or tax advice.

26 U.S.C. Sec. 408A - Roth IRAs - the tax-free-growth and qualified-distribution rules.

https://www.law.cornell.edu/uscode/text/26/408A