Retirement Tax Consultants Announces IRS-Sanctioned Roth Conversion Strategy to Avoid RMDs While Slashing Taxes by 35%

Avoid the Four Government Layers of Taxation on One Asset

MCKINNEY, TX, UNITED STATES, July 23, 2025 /EINPresswire.com/ -- Retirement Tax Consultants, a national leader in retirement tax optimization, today revealed an innovative Roth IRA conversion strategy that allows retirees to significantly reduce conversion taxes—and sidestep the multiple layers of taxation the government imposes on tax-deferred assets.

> “We are the bridge between your Accountant and Financial Advisor: We do what they don’t by specializing in strategies to minimize retirement taxes”
>
> *David Hyden, CFF®, NSSA®, IRMAACP®*

Retirees with traditional IRAs can unknowingly be taxed four different ways on the same money, despite having only received one tax break—tax deferral. Here’s how the “stealth tax” works:

□ 4 Ways Your Tax□Deferred Assets Get Taxed:
1. RMDs taxed as ordinary income — Mandatory withdrawals from age 73 onward are fully taxable.

2. RMDs may trigger Social Security tax — The RMD increases adjusted gross income (AGI), and up to 85% of Social Security benefits can become taxable once AGI thresholds are surpassed.

3. RMDs and taxable Social Security can increase Medicare premiums (IRMAA) — Higher income triggers surcharges on Medicare Part B and D premiums.

4. Medicare surcharges reduce Social Security net benefit — Medicare premiums are deducted from Social Security checks, reducing after-tax income further.

“As RMDs increase annually retirees are often blindsided when their tax-deferred IRAs turn into a tax-and-premium nightmare," says David Hyden, President of Retirement Tax Consultants. "With four layers of tax and penalty stacked on one asset, it's no wonder many struggle to preserve their retirement income."


David Hyden, President/Founder

How the Strategy Works:
Retirement Tax Consultants employs IRS-accepted valuation discounts—applied to IRA-held LLC interests—to reduce the reported fair market value in a Roth conversion. This lowers taxable income during the conversion year, potentially slashing overall taxes by up to 35%.

IRS-Compliant Valuations — Appraisals performed in line with IRS Business Valuation Guidelines.

Audit-Ready Documentation — Each client receives full valuation support to withstand IRS review.

Strategic Timing — Targeted Roth conversions late in the 2025 tax year, for maximum benefit heading into 2026.

"A thorough Roth Conversion Analysis helps determine whether the upfront tax hit is worth it. Often, converting early and avoiding those four hidden tax layers simplifies retirement planning and preserves more wealth," says Hyden.

Why This Matters Right Now
Converting to a Roth may feel counterintuitive—paying taxes upfront to avoid tax later—but with this strategy:

- Taxable income during conversion decreases (due to valuation discounts).

- You eliminate future RMD complications.

- You reduce the risk of Social Security tax, IRMAA surcharges, and shrinking benefits.

- You simplify taxes for your heirs and protect your legacy.

Retirement Tax Consultants encourages retirees and advisors to consider this smart approach before year-end. With full analysis and evaluation, clients can make informed decisions about whether Roth conversion fits their personal tax and retirement goals.

About Retirement Tax Consultants
Retirees across the U.S. rely on Retirement Tax Consultants for customized retirement tax strategies that reduce lifetime taxes and preserve retirement wealth. Their holistic analysis and proven techniques, backed by IRS guidelines, empower clients with smarter income solutions.

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