IRA mistakes even expert investors can make

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There are plenty of hurdles when trying to maximize a client's retirement savings, making it all the more important to avoid any costly mistakes when managing an IRA. While considered a simple savings product, there are still nuances to IRAs that could pose advisers and clients problems. Here are five IRA mistakes to steer clear of making.

Triggering a hefty tax bill with a 'backdoor' IRA

Investors that earn too much to contribute regularly to a Roth IRA set up and contribute to a non-Roth IRA, then convert to Roth. But if the investor has other taxable retirement savings, like a 401(k) from another employer, it could lead to a bigger tax bill than planned.

Rolling a company-stock-heavy 401(k) into your IRA

If a 401(k) is loaded with company stock and pretax employee contributions, it can be better to take distributions directly from the 401(k), rather than rolling over into another IRA.

Focusing heavily on tax management

IRAs can be a good tax shelter for investments, but avoiding taxes shouldn't dictate what gets put into your IRA.

Missed benefits of selective RMDs

Investors with multiple IRAs often fail to realize that they don't need to take separate required minimum distributions, but can calculate among their accounts for the best return.

Not meeting the five-year rule

With Roth IRAs, not realizing that withdrawls from the accounts aren't tax free unless they've met the five-year minimum threshold.