Guide to Using a Self-Directed IRA to Buy Precious Metals

Although there is no list of approved investments for retirement plans, there are special rules set forth by the IRS under Internal revenue Code (IRC) Section 408 and 4975 that preclude retirement accounts, including IRAs from making certain investments. IRC Section 408 precludes an IRA from investing in collectibles, such as art, antiques, gems, coins, or alcoholic beverages, and they can invest in certain precious metals only if they meet specific requirements. (IRC Section 408(m)), whereas, IRC 4975 deals with prohibited transactions involving disqualified persons.

What Type of Precious Metals and Coins are IRS Approved Investments?

In general, pursuant to Internal Revenue Code Section 408, an IRA is permitted to invest in one, one-half, one-quarter, or one-tenth ounce U.S. gold coins, or one-ounce silver coins minted by the Treasury Department. It can also invest in certain platinum coins and certain gold, silver, palladium, and platinum bullion of a minimum fineness of 0.999. Internal Revenue Code Section 408(m) lists the type of precious metals and coins that are permitted investments using IRA funds.

- One, one-half, one-quarter or one-tenth ounce U.S. gold coins (American Gold Eagle coins are the only gold coins specifically approved for IRAs). Other gold coins, to be eligible as IRA investments, must be at least .995 fine (99.5% pure) and be legal tender coins.
- One ounce silver coins minted by the Treasury Department.
- Any coin issued under the laws of any state.
- A platinum coin described in 31 USCS 5112(k).
- Gold, silver, platinum or palladium bullion (other than bullion that is made into a coin) of a certain fineness that is in the physical possession of a trustee that meets the requirements for IRA trustees under Code Sec. 408(a).

The Technical and Miscellaneous Revenue Act of 1998 allowed IRA owners to invest their IRA assets in certain platinum coins as well as certain gold, silver, platinum, or palladium bullion provided the precious metals are held in the physical possession of the financial organization or depository. With respect to state minted coins, the coins must be held in the possession of a third-party other than the IRA holder. The Technical and Miscellaneous Revenue Act of 1998 does not state that the third-party holding the state minted coins must be a bank, but the holder must not be the IRA holder.

If your self-directed IRA purchases coins or precious metals not approved by the IRS under Internal revenue Code Section 408(m) and the investment is treated as a purchase of a collectible, the amount invested is considered distributed to you in the year invested. You may also have to pay the 10% additional tax on early distributions if you are under the age of 59 and 1/2.

Work with IRA Financial Trust to establish your Self-Directed IRA or Checkbook Control IRA account today!

800.472.1043
www.irafinancialtrust.com
Purchasing IRS Approved Precious Metals with a Self-Directed IRA
Without Checkbook Control

IRA Financial Trust Company offers Self-Directed IRA investors full IRA service custodial services for traditional and alternative asset investments, such as real estate and precious metals. All IRA funds will be held with Capital One Bank, an FDIC insured global banking leader, before the client directs the funds for investment.

To purchase precious metals with a Self-Directed IRA without Checkbook Control:

**Step 1:** Establish a Self-Directed IRA account with IRA Financial Trust Company.

**Step 2:** Roll your existing retirement funds to your newly established account with IRA Financial Trust Company. IRA Financial Trust has partnered with Capital One Bank, one of the most respected banks in the world, to offer our Self-Directed IRA clients a safe and secure way to make Self-Directed IRA investments. IRA Financial Trust is a non-banking IRA Trust company that is responsible for administering your Self-Directed IRA account. IRA Financial Trust’s client’s IRA assets will be held with Capital One Bank, providing your IRA assets with FDIC protection up to $250,000.

**Step 3:** Identify the types of IRS approved precious metals or coins you would like to purchase.

**Step 4:** Provide the invoice/purchase contract/order form from precious metals dealer under the name of “IRA Services Trust Company CFBO: [Investor Name] [IRA Account No.]” to IRA Financial Trust. You are responsible for finding a precious metals dealer and contacting them to obtain an invoice, purchase contract or order form to be submitted with our Investment Authorization form. All precious metals are to be stored at a facility approved by IRA Financial Trust Company. IRA Financial Trust Company has a number of approved depositories where you can store your IRS approved precious metals.

Our Self-Directed IRA account specialists will help you navigate the requirements involved for purchasing precious metals with a Self-Directed IRA. Our specially trained Self-Directed IRA account specialists are committed to helping you make Self-Directed IRA investments quickly and easily, while minimizing annual fees.

Open a Self-Directed IRA Account Today!

It's **quick** and **easy** and will take only a few minutes.
Purchasing IRS Approved Precious Metals with a Self-Directed IRA With Checkbook Control

Purchasing precious metals with a Checkbook Control Self-Directed IRA LLC is essentially the same as purchasing precious metals personally.

**Step 1:** Establish a Self-Directed IRA account with IRA Financial Trust Company.

**Step 2:** Work with a Self-Directed IRA LLC facilitation company, such as IRA Financial Group, to establish your special purpose LLC, acquire the LLC EIN, and prepare the LLC Operating Agreement.

**Step 3:** Roll your existing retirement funds to your newly established account with IRA Financial Trust Company. IRA Financial Trust has partnered with Capital One Bank, one of the most respected banks in the world, to offer our Self-Directed IRA clients a safe and secure way to make Self-Directed IRA investments. IRA Financial Trust is a non-banking IRA Trust company that is responsible for administering your Self-Directed IRA account. IRA Financial Trust's client's IRA assets will be held with Capital One Bank, providing your IRA assets with FDIC protection up to $250,000.

**Step 4:** Open a LLC bank account at any local bank of your choice and provide the new account information to IRA Financial Trust Company.

**Step 5:** Identify the IRS approved precious metals you would like to purchase.

**Step 6:** Request IRA Financial Trust Company to fund your LLC with the IRA funds held at Capital One Bank. The newly established LLC will be owned 100% by one or more IRAs.

**Step 7:** Purchase the IRS approved precious metals with the Self-Directed IRA LLC using funds from the LLC account. The precious metals should be purchased in the name of the LLC offering you Checkbook Control over your IRA assets. You are responsible for finding a precious metals dealer and contacting them to obtain an invoice, purchase contract or order form to be submitted with our Investment Authorization form. All precious metals must be stored at a U.S. bank or approved depository.

**Work with IRA Financial Trust to establish your Self-Directed IRA or Checkbook Control IRA account today!**
Why IRA Financial Trust

With IRA Financial Trust as your Self-Directed IRA Custodian, your IRA funds will be held with Capital One Bank, one of the most respected private banks in the world, which offers our Self-Directed IRA clients a safe and secure way to make Self-Directed IRA investments.

The IRS has always allowed retirement investors to use their retirement funds to make a wide range of investments, such as real estate, precious metals, tax liens, private business investments, private equity, hedge funds, hard money lending, and much more. The reason this is not more widely known is that most traditional financial institutions that hold retirement accounts only make money when you buy financial products they sell, such as stocks or mutual funds. Hence, it does not make much financial sense to allow a client to take their retirement funds and make investments in which they do not sell and do not make any money off, such as real estate. As a result, almost all the traditional financial institutions holding retirement accounts will not allow you to make non-traditional or alternative types of investments with your retirement funds. This is where the IRA Financial Trust Company comes in. By establishing a Self-Directed IRA or Solo 401(k) plan account with the IRA Financial Trust Company, you will gain the ability to make traditional as well as non-traditional investments with your retirement funds providing your retirement account with diversification as well as allowing you to invest in what you know and understand.

Whether you want to make the investment directly from your custodian account or would like a bit more control through a Checkbook Control IRA, the retirement specialists at IRA Financial Trust Company will help you make your investment timely and cost effectively.

IRA Financial Trust Company is a regulated non-banking financial institution that is made up of retirement tax specialists committed to helping you make Self-Directed retirement investments quickly, while minimizing annual fees.

IRA Financial Trust offers one low flat IRA Custodian fee without any transaction fees and annual account valuation fees. We believe that Self-Directed IRA investing should be affordable and simple and IRA Financial Trust is committed to helping all our clients build their retirement wealth through Self-Directed IRA investments without the high costs and complexities.

Work with IRA Financial Trust to establish your Self-Directed IRA or Checkbook Control IRA account today!

Open a Self-Directed IRA Account Today!

It's quick and easy and will take only a few minutes.