



THE IRA CLUB
CHICAGO, IL

312-795-0988
FAX 888-600-6997
IRA CLUB.ORG

August 2017

Having Physical Possession of Precious Metal owned by an IRA

Sometimes we get calls from an individual who wants to buy Precious Metal with their IRA *and* then keep the Precious Metal at home.

The call goes like this:

“Somewhere I read that my IRA can buy Precious Metal and I can keep that metal (usually Gold) in my home”.

The answer is simple: No.

Ownership: Yes, an IRA may own selected Precious Metals.

Custody: No. The IRS is clear on this point. Precious Metal owner by an IRA must be held by A Bank or an IRS approved nonbank Trustee. (See IRC §408)

In spite of the facts, there are people who will say otherwise. It starts with someone who has more interest in earning a commission selling Gold than in the legal use of your retirement nest egg. This person simply came up with a real wise-guy idea.

“What if the Precious Metal was not bought by the IRA but, instead bought by an IRA LLC? Then (they tell you) the rule would not apply.”

Some of these guys even went on TV and Radio telling people to do this.

By early 2016, the IRS had enough of this misleading (bordering on fraud) activity. So, in September 2016, the IRS added one simple sentence to IRC 408. “This rule also applies to an indirect acquisition, such as having an IRA owned LLC buying the bullion”.

So, no matter what the salesperson tells you; the IRS is clear:

The Precious Metals owned by an IRA must be held by a Bank or an IRS approved nonbank Trustee. This rule also applies to an indirect acquisition, such as having an IRA-LLC buy the bullion.

If anyone tells you otherwise, they are thinking more about their sales commission than about your IRA.