



INVESTING IN AN IRA-LLC

Things every owner of an IRA-LLC account should know

If you have any questions regarding the below information, please call us at 888-795-7950

Fair Market Value

Each year The IRA Club is required to report the value of your IRA-LLC to the IRS. It is the IRA account owner's responsibility to provide this value. We will typically remind you at the end of the year in December.

Contributions

Your IRA (not you) is the sole owner and investor in the IRA-LLC. You as an individual may not place funds directly into the IRA-LLC.

Steps to adding funds:

1. Fund your IRA with a contribution via a wire or deposit a check.
2. Your IRA then invests in the IRA-LLC.

*Remember: Your IRA account (and not you) is the owner of the IRA-LLC

Distributions

As the IRA-LLC is owned by your IRA all Distributions from the IRA-LLC must go directly to the owner (your IRA). Then your IRA can distribute the funds to you. You may not take personal withdrawals directly from the IRA-LLC.

Steps to taking a Distribution:

1. Funds must be sent from the IRA-LLC to the IRA Account. We also request a Deposit Form to help us place the funds in your IRA.
2. You complete a Distribution Form (it's simple).
3. The IRA Club will send you the requested amount* plus a Form 1099 for your taxes.

Transfers/Rollovers

Just like a contribution, rollovers and transferred IRA dollars must first be deposited to the IRA account. At your instructions, those funds can then be invested to the IRA-LLC.

Expenses

All IRA-LLC expenses are to be paid by the IRA-LLC (not by you personally) Example: If the IRA-LLC has property taxes or insurance premiums due on Real Estate owned by the IRA LLC those expenses must be paid using the funds in your IRA-LLC. You may not use any personal dollars.

Earnings

If the IRA-LLC owns an asset the IRA-LLC gets the earnings.

Prohibited Transactions

Your IRA may not:

- Pay your life or health insurance premiums
- Invest in a collectible
- Conduct business transactions or co-mingle assets or services with a "Disqualified Person".
- Conduct business with yourself and any member of your vertical family line. Also, your spouse and their vertical family line.

Examples of disqualified persons:

- Your parents
- Your grandparents
- Your children & grandchildren