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The IRA Club Position on:

Multi Member IRA LLCs

The single member IRA LLC is a tested and proven method for structuring an IRA account. The multi member IRA LLC is a different story. This is not to say the multi member IRA LLC is unto itself a Prohibited Transaction it is however, a less tested structure.

Advantages of a multi member IRA LLC

1. Funds may be pooled to allow larger investments.
2. May reduce fees as only one LLC is required

Disadvantages of a multi member IRA LLC

1. Annual filing of a Partnership return (IRS Form 1065)
2. There are restrictions for the method of making contribution and taking distributions from your IRA (No contribution to. or and taking distributions from the LLC)
3. The Department of Labor has provided only scant guidance for custodians to follow. (See DOL Advisory Opinion 2003-15A).

Where a multi member IRA LLC works best:

The two (or more) IRAs are owned by people who:

- Never intend to make future IRA contributions after the opening contribution
- The investment will not require additional capital in the future
- The distributions from the IRA will be Pro Rate to the amount of the investment and distributions shall be taken simultaneously.

The IRA Club will create a new Multi Member IRA LLC for you with the following caveats:

- All Member IRAs must invest in the LLC simultaneously
- If there is a need for a future investment in the LLC all members (the IRAs) shall invest in the LLC simultaneously and pro rate to the original investment amounts.
- When there is a Distribution from the LLC (to the IRA accounts) it shall be simultaneous and pro rate to the original investment amounts.

For greatest flexibility you may want to consider keeping each IRA LLC separate (not multi member).

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