



SELF DIRECTED
RETIREMENT PLANS

YOUR GUIDE TO SETTING UP A SELF-DIRECTED IRA

& Unlocking Retirement Growth Through Flexible Investments

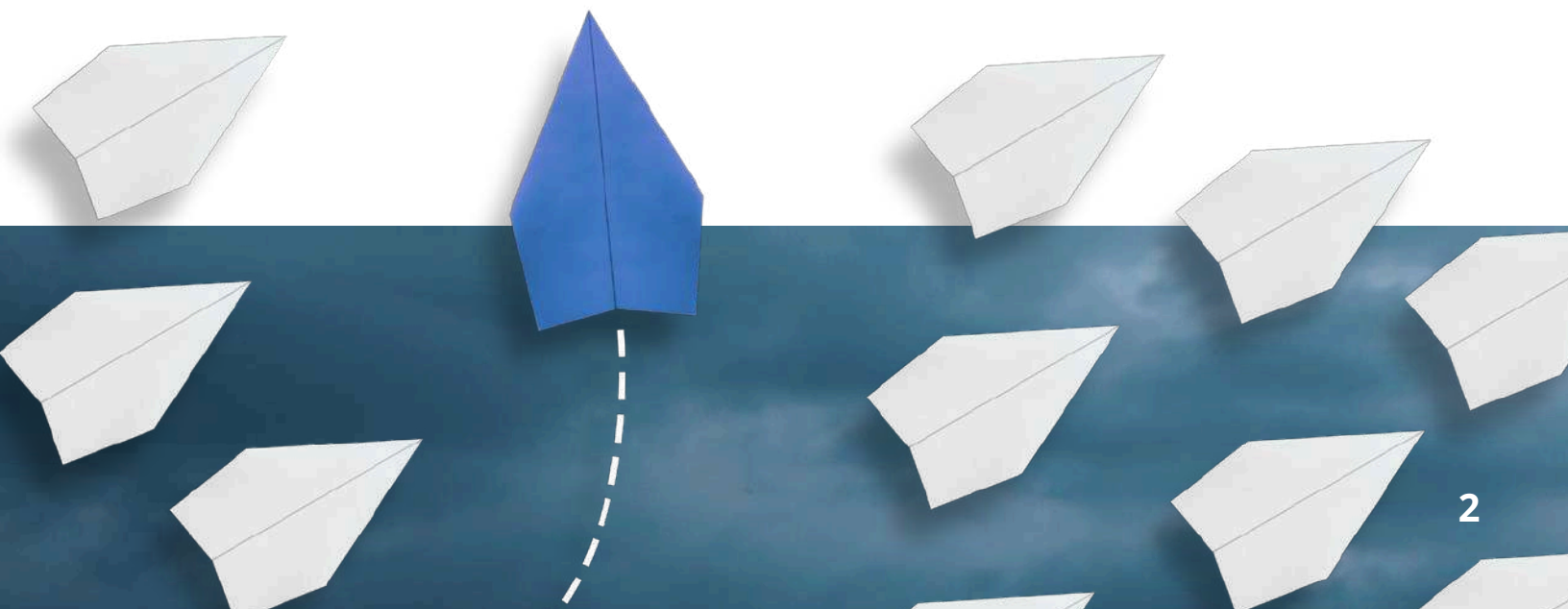
SELF DIRECTED

INVEST IN WHAT YOU WANT, WHEN YOU WANT

Thank you for choosing us to facilitate your IRA Recovery Process. We specialize in helping you navigate the complexities of setting up and managing your self-directed retirement account, offering guidance and support every step of the way.

This guide will walk you through each stage of the setup process, from completing the necessary forms & transferring your assets to understanding your responsibilities. We'll also address common concerns and answer frequently asked questions to empower you to make informed decisions about your financial future. Let's get started!

DISCLAIMER: THIS GUIDE IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT CONSTITUTE LEGAL, TAX, OR FINANCIAL ADVICE. PLEASE CONSULT WITH A QUALIFIED PROFESSIONAL TO ADDRESS YOUR SPECIFIC NEEDS.



Q: Is a Self-Directed IRA Right For You?

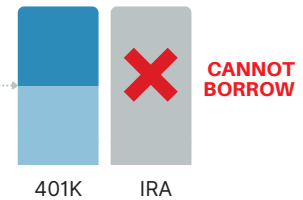
A:

Many people “want” an IRA because it’s the most commonly discussed type of acct, but most are unaware of the difference a Self Directed 401k offers. Let’s start with a few quick questions:

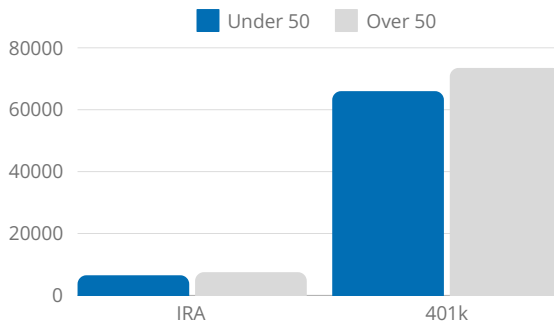
Are you self-employed or a small business owner w/ No Full Time Employees?

Do You Want The Ability To Take A Personal Loan?

BORROW
50% OR
UP TO **\$50K**



Contribution Limits



Do You Require Higher Contribution limits to reduce taxable income and increase investment pools?

Do you want the freedom of a self-directed acct without the limitations and penalties of an IRA?

Strict Rules

There are strict rules regarding what investments you can hold in an SDIRA, and non-compliance can attract severe penalties.

Penalties

Violations can result in taxes and penalties, so it's crucial to be aware of prohibited transactions.

If You Are Unsure Of Which Account Type Is Best For You,
Please Watch This Video, Then Schedule A Free Consult.

Q: How Long Does the Process Take?

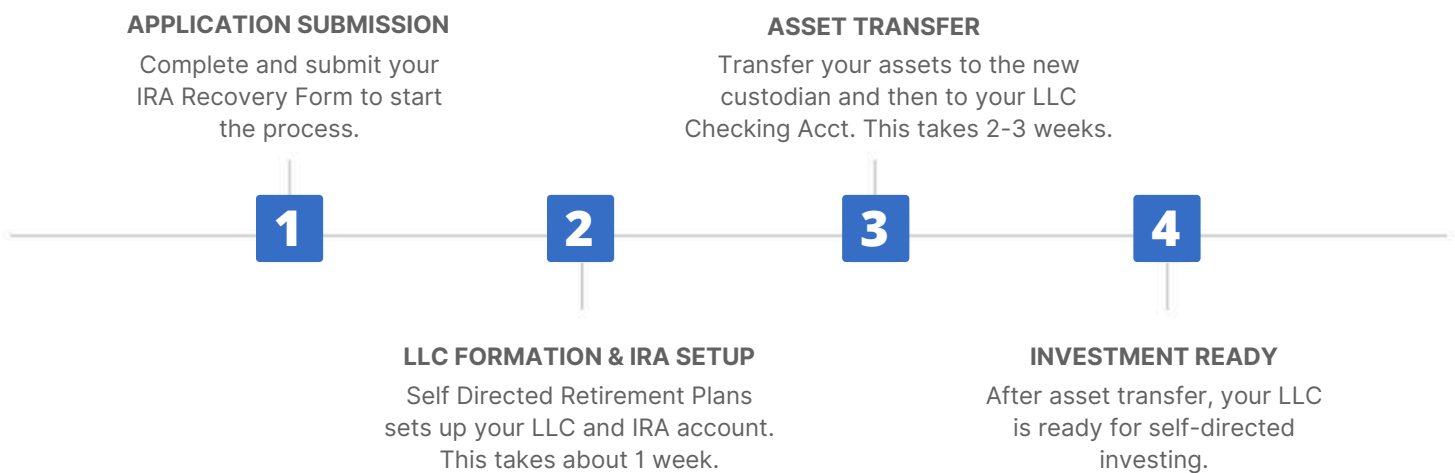
A:

The timeline can vary depending on several factors, but here's a general overview:

The asset transfer process, from your old IRA or 401(k) to the new self-directed IRA custodian and then to the LLC, typically takes around 2-3 weeks. This timeframe accounts for the coordination between financial institutions and the processing of paperwork.

However, some transfers may be completed sooner, while others could take longer due to specific circumstances.

Rest assured that we'll keep you informed throughout the process and work diligently to expedite the transfer as much as possible. Our goal is to make your transition to a Self-Directed IRA as smooth and efficient as possible.



Step 1:

Complete and Return the IRA Recovery Form

The recovery process is simple and involves providing essential details about yourself and your business to establish your account and LLC.

However there are a couple areas to pay attention to:



[Download Here](#)

■ LLC Details

If applicable, you'll also need to provide company information and designate your desired LLC names. Don't forget to specify the LLC manager(s) who will oversee the investment decisions within your self-directed IRA.

■ Terms & Conditions

Finally, carefully read and sign the terms and conditions, including the right of rescission. Acknowledge the rules by signing and dating the form to indicate your understanding.

Step 2: Submit Payment

The Setup Fee: To initiate the setup of your Self-Directed IRA, a one-time fee of **\$1350** is required. This fee covers filing forms-We file all state required forms to set up the LLC owned by the IRA. *Please note that the IRS requires the LLC fee to be paid from your IRA, we have therefore reduced our fee), serving as the resident agent (in Arizona), obtaining an Employer Identification Number (EIN) from the IRS, and setting up your IRA account with a self-directed IRA custodian.

Flexible Payment Options

For your convenience, we offer flexible payment options to suit your preferences. You can choose to make a secure payment using a credit card or opt to pay via check.

Other Custodian Fees:

SDIRAs often come with additional acct related fees that are not associated with our services. These fees vary per custodian, and is a strong motivator to who we do and do not recommend for custodian services. Examples of these fees include:

Custodian Annual or Monthly Acct Setup Fees:

These are generally basic flat rates based on the type of acct you open, and if they are an active or passive custodian. We prefer passive custodians that offer the lowest fees.

Custodian Transaction Fees:

a custodian may have a fee table based on the amount of or type of transaction. Example: Sending money for an investment may cost you a flat fee + .03% of the amount transferred.

Rush Fees:

Because most active custodians require approval before allowing you access to your funds, many offer to expedite the review of your investment proposal for a fee.

Step 4:

Transferring Your Assets



The average time to complete this transfer, from your old IRA or 401(k) to the new custodian and then to your LLC, is typically 2-3 weeks. To ensure a smooth transition, we'll work closely with both your previous and current custodians to assist facilitation of the transfer process. We aim to make this process as seamless and hassle-free as possible.

Expert Guidance

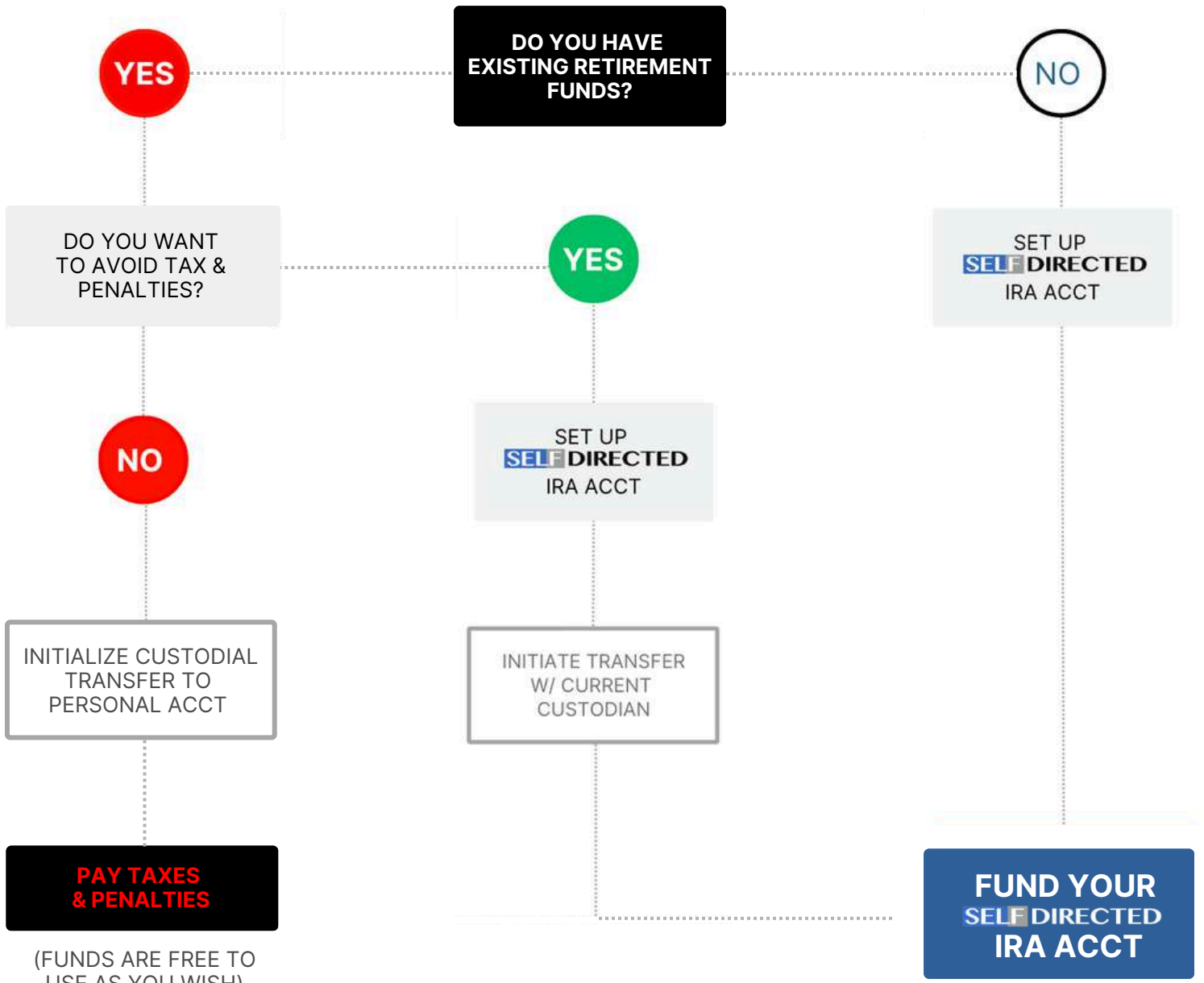
Remember, Self Directed Retirement Plans are here to support you throughout the asset transfer process. If you encounter any challenges or have questions along the way, don't hesitate to reach out to our experienced team. We're committed to helping you achieve your retirement goals with confidence.

Avoid Tax Issues

Coordinate with Professionals

Set up your Self-Directed IRA **before** transferring assets to avoid unintended tax and penalty consequences. This proactive step ensures a tax-advantaged rollover. Be sure to coordinate your rollover with your previous employer plan administrator **and** Self Directed Retirement Plans to streamline the process and complete the necessary paperwork efficiently.

In certain situations, your Self-Directed IRA may be subject to taxes. For example, if your IRA is running an active business or using borrowed money to generate profits, the IRA may owe Unrelated Business Income Tax (UBIT). Understanding these tax implications is crucial for managing your account effectively.



Q: Can I have a 401(k) Termination and IRA Setup Simultaneously?

A: **Yes, you can absolutely do the 401(k) termination and IRA setup simultaneously.** In fact, many of our clients choose to streamline the process by coordinating both efforts. This approach can save time and ensure a seamless transition from your old 401(k) to your new Self- Directed IRA.

Simultaneous, but Separate Processes

Initiate Service

To make this happen, simply let our team at Self Directed Retirement Plans and IRA Ideas know that you'd like to coordinate both services. Keep in mind that there is an additional fee of \$500 for 401(k) termination services.

1

2

Combined Expertise

To ensure a smooth transition, Self Directed Retirement Plans and **IRA Ideas**, our trusted partner specializing in 401(k) terminations, work together.

3

Efficient Service

We'll work together to guide you through the necessary paperwork and compliance requirements, making the process as efficient as possible. We ask that you stay diligent about communication through this process to ensure all steps are completed.

With the combined expertise of this trusted partnership, you can rest assured that your 401(k) termination will be handled with precision and care.

Q: What Are Prohibited Transactions?

A:

Prohibited Transactions

Prohibited transactions are specific activities that are not allowed within a Self-Directed IRA, such as using IRA assets for personal expenses or engaging in transactions with disqualified persons (e.g., family members).

Loan Guarantees

It's important to note that no related individual may personally guarantee any loan for the benefit of your IRA's LLC.

Any prohibited transaction can jeopardize the tax-advantaged status of your account.

Q: What Would Happen If I Engaged In A Prohibited Transaction?

A:

When you engage in a prohibited transaction, the entire IRA is considered distributed on January 1st of that year, regardless of the transaction size.

Here's what happens:

1. Immediate Tax Consequences

- Full IRA value becomes taxable income
- 10% early withdrawal penalty if under 59½
- State taxes may also apply
- Could push you into higher tax bracket

2. Loss of Tax-Advantaged Status

- Account loses IRA protection
- Future earnings taxed annually
- No more tax-deferred growth
- Cannot be undone or corrected

Real Example:

If you have a \$500,000 IRA and use \$5,000 to loan money to your son (prohibited transaction), the entire \$500,000 becomes immediately taxable - not just the \$5,000.



What If I Have Questions During the Process?

LET'S GET ON A CALL:

We understand that you may have questions or concerns during the setup process and want to be sure we can efficiently assist you.

While you are welcome to call us directly, we may be helping someone else. That's why we encourage you to schedule a call to ensure that we are available at a time that is best for you.

Schedule Here:

selfdirected.info/calendar

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