



## Congratulations! Your IRA bought property.

### What's next?

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### Privileges of Owning Real Estate in your IRA

- Your IRA will receive all income generated by the property (including rent).
- And in most cases – the income is 100% Income Tax Deferred or 100% Income Tax Free in a ROTH IRA.
- Income accumulates so your IRA can make future investments. This allows your IRA to grow and compound in size much quicker than if the earnings were made outside the IRA account.

### Ongoing Maintenance of the Property

- In general, you can perform “administrative” functions to manage the IRA investment property.
- You or a family member may not invest “labor” into the property. Sometimes, this is referred to as “no sweat equity”. If work needs to be done, simply call your property manager or a local handyman or professional.
- Expenses should not be paid out of your own pocket. Make sure to maintain enough cash in the IRA account to cover these costs.
- To pay an expense, please complete and sign an Expense Request Form (found on our website.)
- It is the IRA owner’s responsibility to monitor any expenses due.
- Send all rental income should be sent to your IRA Club self-directed IRA account.

### Prohibited Transactions

- A family member or any other disqualified persons may not live in the house. The IRS states the investment must be for the exclusive benefit of the IRA and not for current benefit.
- Maintenance on the property must be completed by a third party.
- Expenses must be paid out of the IRA.
- For more information see **IRC Section 4975** and the **IRS Publication 590-B**

### Important Reminders

- ✓ The investment is made by the IRA – not you
- ✓ Monitor expenses due throughout the year.
- ✓ Keep enough cash in the account for expenses and related fees
- ✓ The IRS requires expenses to be paid from the IRA account
- ✓ Personal use of the property is not allowed
- ✓ You can't let a disqualified person use the property (i.e. parents, children)
- ✓ Repairs must be done by a 3<sup>rd</sup> Party
- ✓ Deposit rent and other related income generated from the property to the IRA account

You can find additional information on our website! [www.IRAclub.org](http://www.IRAclub.org)

Call us any time toll free at 888-795-7950

OR, email us your questions! [investments@IRAclub.org](mailto:investments@IRAclub.org)

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