



ED SLOTT'S IRA ADVISOR

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TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS



Gold in IRAs

You've probably seen the commercials on TV or read the ads popping up on the Internet.

"Governments Are Over-Promising! Inflation Is Near! Invest In Gold! Put Gold In Your IRA!"

Now, it may be true that our poor fiscal policies will ultimately lead to high inflation and, if that happens, gold will likely be a savvy investment. That's been the case in this century and, in response, many investors have adopted a modest allocation of gold and other precious metals in their portfolios.

However, putting gold into an IRA can be complicated. If clients ask you if they can hold gold in their IRAs, you should be ready with some answers.

Hint: You may want to discourage holding actual gold in IRAs, although

some gold-linked investments can be a good fit.

The Basic Rules of Holding Gold in an IRA

Generally, a client can put almost anything into his or her IRA. The major exceptions are life insurance and collectibles.

Putting gold into an IRA can be complicated.

As IRS Publication 590, which covers IRAs, states, "If your traditional IRA invests in collectibles, the amount invested is considered distributed to you in the year invested." The taxpayer will owe income tax and perhaps a 10% surtax on early distributions. Among collectibles, "metals" and "coins" are specifically mentioned. Therefore, at first glance it would seem that gold is off-limits for IRAs.

However, the code does provide an exception. Publication 590 goes on to

WHAT'S INSIDE?

Gold in IRAs

- The Basic Rules of Holding Gold in an IRA
- Similarities and Differences Between IRAs With and Without Gold
- IRA Gold Cannot be Held at Home
- "Same-Property" Rollover Rule Tax Trap
- "Golden" Alternatives to Holding Physical Gold in an IRA
- Gold ETFs: A Balanced Approach for Some Clients
- 28% Capital Gains Rate on Collectibles
- When is a Collectible Not Really a Collectible?
- Advisor Action Plan

- Pages 1-5

Guest IRA Expert

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President, International Financial Advisory Group, Inc. Parsippany, New Jersey

"Convert" Your Retirement Account to Tax-Free Life Insurance

- Pages 5-7

SAVE THE DATE  **INSTANT IRA SUCCESS**

THE COSMOPOLITAN LAS VEGAS September 29-30, 2012

 See Page 8 For More Information