

Do you know the 4 ways to fund a self-directed IRA?

There are multiple options for funding a self-directed IRA, however, each approach has its own set of time constraints, some out of the control of IRA Services Trust. It's important for the IRA investor to understand both investment deadlines and account funding time frames to ensure that funds are readily available for completing an Alternative Investment.

Custodian-to-Custodian Transfer. The most common form of funding an IRA for an alternative investment is to authorize a transfer of funds from an existing IRA. It is recommended to liquidate investments prior to initiating this "custodian-to-custodian" cash transfer. Depending on the releasing custodian's processing time frames, the transfer can take from **2-4 weeks to complete**.

Qualified Plan Rollover. You can rollover funds from a **former employer's** 401(k), 403(b), 457 or other Qualified Plan by contacting the plan administrator (usually listed on your statement) to determine the rollover process. **Rollover checks should be made payable to IRA Services Trust Company and should be accompanied by an IRA Services Trust Deposit form.** IRA Services Trust check clearing time frame is **5 business days**. Review the IRS Rollover Chart, available on the IRS.gov website, to understand your rollover options.

Partial "in-service" Rollover. If you are actively enrolled in your employer's 401(k) plan, you may be able to take a "partial in-service rollover" to fund your self-directed IRA. Contact your plan administrator to determine if your current 401(k) allows for an in-service rollover and follow the deposit procedures described above for Qualified Plan Rollovers.

Traditional and Roth IRA Annual Contributions. You can fund a self-directed IRA by making an annual contribution. Contribution limits for Traditional and Roth IRAs for the 2019 and 2020 tax years are \$6,000 for those under 50, with a \$1,000 catch-up contribution available to those over age 50.

SEP and Simple IRA Annual Contributions. For small business owners or those self-employed, the 2020 maximum contribution limit for **Simple IRAs** increased by \$500 to \$13,500 for those under age 50 with a \$3,000 catchup contribution for those over 50. For 2020, the maximum contribution to a **SEP IRA** is of 25% of net earned income not to exceed \$57,000.

IRA owners are encouraged to review **IRSPublication 590A** for details on Traditional and Roth IRA contributions and tax deductibility and **IRSPublication 560** for SEP and Simple IRA contribution structures and limits.

IRA Services Trust has decades of experience in the custody and administration of Alternative Investments held in self-directed IRAs. This experience translates into efficient, accurate and cost effective custody and administration services for investors, investment issuers, investment platforms and marketplaces. We are dedicated to providing high quality services that focus on the needs of our clients.

IRA Services Trust Company holds over \$11 billion in assets under custody and is chartered by the State of South Dakota and regulated and audited by the South Dakota Banking Commission. We look forward to helping you reach your financial goals with a self-directed IRA.

Our Client Service Team is happy to answer any questions you may have. Please call: 800.248.8447 for assistance.

IRA Services Trust refers to IRA Services Trust Company, a state-chartered trust company. IRA Services Trust Company and its representatives do not offer tax, legal or investment advice or promote, evaluate, recommend or endorse any advisory firm, investment strategy, product or investment issuer. Alternative Investments are not FDIC insured and are subject to risk, including the loss of principal. Investors are advised to perform their own due diligence when investing and should consult with tax, financial and legal advisors. Investors should not rely on the information provided in this document without such consultation. The information contained herein does not constitute legal or tax advice and should not be construed to apply to any individual person or situation.