



Retirement and Precious Metals

Another part of Pete Thomas's white paper reports on gold bars and coins designed to help the first-time consumers entering the Precious Metals asset class make the safest purchases.

I owe a great deal to Matt Sorensen JD for writing such a great book on tax code and the usage of precious metals* in a qualified account. Between racing in the smaller formula car class, to being a Weapons Master for Paramount Pictures Studio, reading tax code somehow slipped by me, so I am very fortunate to have people around me that kept their nose to the grind stone. This aside, the hard and fast reality of the real world taught me that the tax man cometh and I must be prepared. Bearing this in mind, finding this tax book saved me a tremendous amount of research. The following excerpt is straight from the attorney that wrote the book on tax code and metals a Mr. Sorensen.

Storage Rules for Precious Metal Owned by an IRA:

Precious Metals must be stored with a licensed financial institution or trust company. Personal storage of precious metals owned by an IRA is not allowed.

A broker-dealer, third-party administrator, or any company not licensed as a bank, credit union, or trust company may not store precious metals owned by an IRA. IRS Private Letter Ruling # 200217059.

The most important idea that I want you to come away with from this article is that you cannot store your precious metals at home for your IRA and /or a 401K.

Doug Robertson, CISP, one of my contributing sources of tax information from Midland IRA, is truly one of my main sources to keep my clients in compliance with the current tax code. I was referring a client to Doug the other day when he asked me if any clients have been asking about storing gold at home for their qualified accounts. I reflected and remembered at least three had asked if they could do just that but I didn't think anything of it. Much to both of our surprises, Doug had found ads online encouraging people to do just that, hence this article.

The question I get is how much will the penalty be if I am found in violation of Ruling # 20021705? The answer is you will be fined the value of the amount involved which will be seen as a distribution.

Let's do a check boxes together to help keep you out of trouble. Ask yourself if you have a recommended type of bullion or coin.

Gold:

- A.) American Gold Eagle bullion coins
- B.) American Gold Eagle proof coins
- C.) Canadian Gold Maple Leaf coins
- D.) Austrian Gold Philharmonic coins
- E.) Australian Kangaroo/Nugget coins
- F.) Chinese Gold Panda coins
- G.) American Gold Buffalo uncirculated coins (proofs not allowed)
- H.) Gold bars and rounds produced by a NYMEX or COMEX-approved refinery or national government mint, meeting minimum fineness requirements

Silver:

- A.) American Silver Eagle bullion coins
- B.) American Silver Eagle proof coins
- C.) Canadian Silver Maple Leaf coins

- D.) Austrian Silver Philharmonic coins
- E.) Australian Silver Kookaburra coins
- F.) Chinese Silver Panda coins
- G.) Mexican Libertad coins
- H.) Silver bars and rounds produced by a NYMEX or COMEX-approved refinery or national government mint, meeting minimum fineness requirements

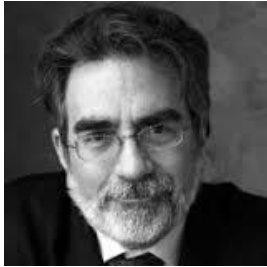
Platinum:

- A.) American Platinum Eagle coins
- B.) American Platinum Eagle proof coins
- C.) Canadian Platinum Maple Leaf coins
- D.) Isle of Man Noble coins
- E.) Australian Platinum Koala coins
- F.) Platinum bars and rounds produced by a NYMEX or COMEX-approved refinery or national government mint, meeting minimum fineness requirements.

Palladium:

- A.) Canadian Palladium Maple Leaf coins
- B.) Palladium bars and rounds produced by a NYMEX or COMEX-approved refinery or national government mint, meeting minimum fineness requirements

Please take the necessary steps to follow these not so simple guidelines. I am not a tax attorney and I always refer our clients to people that are well-versed in the tax code. Take this with you, the tax codes are not static and as they change, so must you. Always exercise care in you plans for your retirement and use well versed professionals in your plans. Remember that the laws for taking distributions from a gold IRA are the same as those for a regular IRA. The account holder may liquidate their IRA metals for cash or take physical possession of them. Both actions are akin to taking an IRA distribution and will be taxed accordingly.



Peter Thomas is a Senior Vice President at the [Zaner Precious Metal Division](#), and he is considered one of the leading gold authorities in the world today. As a licensed floor broker, he was a filling broker in the silver pit when silver ran to \$55 an ounce. He currently manages a global cash desk which handles Refiners, Recyclers, Mining Operations and Coin & Bullion companies. He is constantly in demand for his insightful opinions drawn from his 35 years of metals trade to such news enterprises and magazines publishers as EconoTimes, Bloomberg News, WSJ, The Guardian, US News and World Review, Hard Assets, Kitco, and Modern Trader magazine. Contact him at [@Goldbug111](#), [@MetalZaner](#), (312) 277-0140 or <mailto:pthomas@zaner.com>.