



The Safest and Most Cost Effective Ways to Add Physical Gold to Your Offshore IRA

By: *Larry Grossman*

Many investors are stuck with 401(k)s or pension plans that offer little exposure to physical gold, silver and platinum.

But what most people don't know is, it's perfectly legal to hold precious metals in your IRA. And you're not limited to bullion bars. Some of the most popular gold and silver coins are also eligible.

For added protection, you can even do it offshore. But before you buy a single ounce, keep these pointers in mind.

IRA Dos and Don'ts

Through the years, IRA rules and regulations have evolved. The most significant update was issued in 1998. It puts strict limits on the types of coins or bullion you can hold in a pre-tax account.

- Any metal held in your IRA must be 99% pure (or better)
- Most collectible coins, including "proofs" and numismatics are NOT eligible.

Failure to follow these rules is a violation of federal tax law. To steer clear of fines and penalties, do your homework and only purchase pre-approved bullion products.

One of the advantages of IRAs is that you can hold one form of gold - like coins - or a mix of physical and paper gold, from mining stocks to coins to bullion.

Investors looking to hold large quantities of precious metals may lean toward bullion bars. Just keep in mind, any bars you buy must be produced by an accredited manufacturer that follows strict purity standards. To be safe, select gold that's at least 99.5% pure and silver, platinum or palladium that's 99.9% pure.

Affordable Ways to Hold Gold in Your IRA

Right now, several European banks are willing to hold American citizens' IRAs. They also offer an array of precious metal storage programs, which are tailored to your budget and storage requirements.

For example, if you'd like to hold gold in the financial fortress of Switzerland, you can get started quickly and easily.

SIPS clients have utilized a number of precious metals platforms and providers. It's really up to you to decide where you want your metals held and what type of metals you want to hold.

Another popular (and affordable) way to get bullion exposure is through the famed Perth Mint

These Government-Approved Coins Can Be Held in Your IRA

Gold

1. American Eagle
2. Australian Kangaroo/Nugget
3. Austrian Philharmonic
4. Canadian Maple Leaf
5. Credit Suisse Pamp Suisse Bars .999
6. U.S. Buffalo Gold Uncirculated (no Proofs)

Silver

1. American Eagle
2. Australian Kookaburra
3. Canadian Maple Leaf
4. Mexican Libertad

Platinum

1. American Eagle
2. Australian Koala
3. Canadian Maple Leaf
4. Isle of Man Noble

Clients who are interested in only holding precious metals with a U.S. repository in their accounts are eligible for a discounted annual fee of \$225.

I'm aware there are companies advertising you have the ability to physically take possession of the precious metals held within your IRA. SIPS does not provide tax or legal advice and would strongly urge you to get advice from your attorney or tax provider before choosing this option. There are conflicting and contrary opinions in regards to this position.

My company, Sovereign International Pension Services has made arrangements with several European Banks who are willing to hold IRA accounts, including precious metals held on deposit. You can even take it one step further by opening a Nevis LLC (owned by your IRA) to add an extra layer of protection, privacy and flexibility into the equation. Should you need any assistance, feel free to contact me at the number below.

Hands-Off...Until You're 59-1/2 Years Old

Perhaps the most powerful advantage of holding precious metals in an IRA is — buying gold with pre-tax money. Instead of coughing up thousands of dollars in sales tax, you can put that money toward your investment.

But...like any pre-tax investment, you need to plan accordingly. Keep in mind, if you take any distributions before age 59-1/2, you'll pay income taxes on the entire amount, plus a 10% early withdrawal fee.

To be safe, don't put all your gold into an IRA unless you are certain that you won't need it until that magic age of 59-1/2.

In the meantime, see that your holdings are under the control of your IRA custodian and on deposit with a reputable bank.

Is Your Gold Safe from Government Confiscation?

Lately, I've received many questions about gold confiscation. Investors are fearful that one day,

Five Steps to IRA Success

Adding precious metals to your IRA is easy...

#1 Call your IRA custodian and ask if you can add gold to your IRA. (Not all plans offer this capability.) If the answer is "no," then you will have to open an IRA and consult a custodian that can assist you.

#2 Make sure your IRA's custodian has plenty of experience dealing with physical gold. You don't want to get ripped off by paying too high a premium over the spot price.

#3 To open your IRA account, submit paperwork to your IRA custodian - along with payment for any storage fee.

#4 If you have an existing IRA, transfer money over to fund the gold account. Ask a tax professional for help with rolling over funds if needed.

#5 Decide whether to buy coins, bullion or paper gold and instruct your IRA representative to make the purchase for you.

the government will seize their gold - as President Roosevelt did in 1933. Look, I can't predict the future. But I think we can both agree that the Federal Government will pretty much do whatever it wants.

BUT if 90% of all gold is held domestically and they can "flip a switch" to take it, will they bother to go to the trouble of chasing down the remaining 10% offshore? I can't say for certain, but common sense suggests that holding gold offshore could slow or halt any such effort.

Of far greater concern to me is the shrinking window of opportunity to move retirement plans offshore.

So if you believe this investment option is right for you, start planning your next move today. You'll gain a tremendous amount of investment flexibility, privacy and peace of mind - in addition to massive upside potential from the movement of gold, silver and their precious metal siblings. **TSJ**



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