

Precious Metals FAQ

Q. Why do people diversify their portfolios with precious metals?

A. Providing diversification and liquidity with no credit risk, gold can be especially attractive during periods of increased market volatility. Many individuals and financial professionals choose to diversify retirement portfolios with alternative assets that are not correlated to the stock market.

Q. Can I buy physical gold for my Individual Retirement Account?

A. You can buy gold coins and bullion, silver, palladium and other precious metals that meet certain fineness requirements.

Q. Can I keep my purchased metals at home?

A. Not when your metals are held in an IRA. Your physical assets owned by an IRA must be held by a qualified custodian and stored in a secure, IRS-approved depository. Many depositories offer segregated or non-segregated storage. Segregated storage means that your personal metals are identified and stored under your name.

Q. What does the custodian do?

A. The IRS requires that any IRA be administered by a qualified custodian. Self-directed account custodians do not provide investment advice, but they do provide administrative and reporting services, and will purchase precious metals on your behalf per your direction through your IRA account.



Q. How do I begin the IRA process?

A. The first step is to open and fund your Self-Directed IRA account. This can be completed through a traditional paper application, but many people choose to use our simple, online application process that can be initiated in under 10 minutes. With eSignature, the process can be completed entirely online. Equity Trust can initiate the transfer of funds if you're rolling over from an existing account. The timing on this process is dictated by the custodian currently holding the funds.

Q. What happens once my IRA has been funded?

A. After your account has been funded, you are ready to purchase precious metals within your IRA. Simply instruct your custodian to purchase your desired coin or bullion products.

Q. How easily can I liquidate my precious metals?

A. You can at any time choose to retrieve your precious metals from the depository storage facility as a full or partial distribution. As with any early IRA distribution, taking a full or partial distribution of your precious metals may result in taxes and penalties unless rolled over to another qualified custodian. You may also choose to sell your metals back to an authorized dealer and the cash received would return to your IRA.

Q. What kind of precious metals can I invest in?

A. Generally, you may purchase coins minted by the U.S. government as legal tender, such as American Gold Eagles and American Silver Eagles (1 oz, 1/2 oz, 1/4 oz and 1/10 oz). Certain coins minted by other nations as legal tender may also be IRS-approved.

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Q. Can I have more than one IRA?

A. Yes. An investor may have multiple IRAs, but no matter how many you have, your total annual contribution limits remain the same.

Q. Can I transfer money from an existing IRA or 401(k) account to fund another IRA without incurring any tax penalties?

A. Yes. If you have an existing IRA or 401(k), you may fund an IRA by transferring either the full or a partial amount. Because the funds are being directed into another tax-advantaged account there will be no tax penalties. Equity Trust will facilitate this process at your direction.

The current law allows for both transfers from IRAs as well as rollovers from qualified retirement plans, such as 401(k), 401(a), 403(b), 457, Thrift Savings Plan (TSP) and annuities.

Q. Who is eligible for a Traditional IRA?

A. If you are under age 70 1/2, and have earned income, you're eligible for an IRA, including one that holds precious metals.

Q. Are there penalties for moving my IRA or 401(k)?

A. No. An IRA rollover is a tax-free process with no fees or penalties, if done according to IRS guidelines. Funds received from an IRA are not subject to penalty or taxation as long as they are deposited into your new IRA account within 60 days.

Q. In what form can I receive distributions?

A. You may receive distributions from your IRA in the form of physical gold, silver, platinum or palladium, depending on what metals are in your account. You may also convert your metals into cash.

Q. When will I be eligible for distributions from my IRA?

A. At the age of 59 1/2, the beneficiary of an IRA may begin receiving penalty-free distributions from their account.

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