

Not Allowed: Home Storage Gold IRA

Whether you are already a Gold IRA investor or are considering a Gold IRA, this article will have information you need to know to make the right choices when it comes to your savings.

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One of the most common concerns with opening up a Gold IRA is the fact that you as an investor are not physically in possession of the assets in your account at any time. The gold and other precious metals in your account are stored in vaults that you do not control, and you are required to pay for the storage. This is the concern that some companies offering a Home Storage Gold IRA tap into – but what they don't talk about are the legal risks involved in storing your IRA gold at home.

The legal risks of Home Storage Gold IRA are the potential for significant fees and criminal charges to be levied against you in the case of a failed IRS audit. While there are Home Storage Gold IRA rules that you can follow, the bar to doing so is set very high, making storage through third party storage through your Gold IRA company a safer and better bet.

Whether you are already a Gold IRA investor or are considering a Gold IRA, this article will have information you need to know to make the right choices when it comes to home storage of gold. We will go over what a Gold IRA (also known as Precious Metals IRA) is, what Home Storage **Gold IRA companies** claim, Home Storage Gold IRA rules, the risks of Home Storage Gold IRAs, and the best Gold IRA companies to work with.

What is a Gold IRA?

Gold IRAs are also called Precious Metals IRAs, for the very reason that they deal in gold and other precious metals. This differentiates them from traditional IRAs, which hold their value in stocks, mutual funds, and other similar investments. This is a self directed IRA, meaning that you handle the buying and selling of assets directly.

The idea is that you have a physical gold IRA – you are dealing with physical assets, rather than the nebulous concept of ownership of a stock in a company. The tangibility of the assets is one of the main draws of a Gold IRA – the gold is something that is real.

Gold IRA companies offer you choices on where to store your gold – usually at reputable third-party facilities. Because of these storage requirements, Gold IRA accounts will typically have storage fees associated with the account that an account holder is expected to pay annually.

In this article 2 Best Gold IRA Companies:

<p>1. <u>Augusta Precious Metals (See offer)</u></p>	<p>2. <u>Goldco (See Offer)</u></p>
<p>Money Magazine "best overall!" Gold IRA Company [REDACTED]</p>	<p>"Company of the Year" by the American Business Awards [REDACTED]</p>

What is a Home Storage Gold IRA?

A Home Storage Gold IRA offers investors the promise of being able to store their physical assets at home. The attraction of this type of set up is apparent to those who are turned off by the storage at third-party sites.

In the first place, home storage means that you will always know where the gold is located. You are able to see it and touch it, and it is more real to you as an investor than gold that you never see stored at a third-party facility you may never visit.

Secondly, there are theoretically no storage fees that you have to pay. Gold IRA companies that offer home storage may even offer you a free safe to store the gold, apparently reducing your expenses.

What these Home Storage Gold IRA companies fail to mention is that, in order to store your precious metals IRA gold at home, you will need to meet certain requirements set out by the IRS. If you want to know "how does a home storage Gold IRA work?" then you need to understand that these rules are extremely restrictive.

What are the Home Storage Gold IRA Rules?

The IRS holds the rules for storage in their code under Section 408(m), which states in part that assets such as those in a Gold IRA must be "in the physical possession of a trustee." So what are the requirements to be considered a trustee?

First of all, you will have to create a limited liability company (LLC) that is in your name. It will also need a specially written operating agreement. If you already have an LLC that meets these requirements, then read on, because this is just a start.

In addition, your net worth needs to be more than \$250,000. If your LLC has employees or trustees, they must also have a \$250,000 fidelity bond as corporate insurance. The trustee corporation cannot be owned by just one person either, and it must be open to the public.

You will also need to have experience with finances that can be verified. This type of experience includes knowledge of accounting, knowing how to conduct audits, knowledge of storage

requirements and experience handling retirement funds. Add to this legal counsel that must be on retainer that can do audits in conjunction with a certified public accountant.

So how does a home storage Gold IRA work? It works by following of the IRS's rules and regulations, which companies offering Home Storage Gold IRA options frequently neglect to mention, though even if they do mention this and offer to assist you in setting up an LLC, there are reasons to be hesitant.

If these hurdles are something that you think you can overcome, then be forewarned. Once you meet these requirements, the fact that you are using it to store gold at home will make you a bigger target for an audit by the IRS than the case might be otherwise.

What are the Risks of Home Storage Gold IRA?

If the IRS finds an issue with your set up, then not only will your assets lose the tax-deferred status of an IRA, but you will also be expected to pay taxes on your assets immediately and will be slapped with a 10% fine for early withdrawal – and that is just on the federal level. You will also have to pay state taxes, if applicable in your state.

A very real example of this is the case of Andrew and Donna McNulty. The McNulty's were hit by an audit and found to be in violation of the relevant IRS codes. The couple took the issue to court in 2019.

The couple purchased and took physical possession of coins through their LLC. The IRS claimed that these were "taxable distributions" that were not properly reported.

The issue was finally decided in 2021. The judge ruled in favor of the IRS and ordered the couple to pay *more than \$300,000* on an IRA that was valued \$730,000.

Fines and penalties are only half the risk. Since the IRS has declared the physical storage of IRA assets in one's home illegal, to do so knowingly can be considered a *criminal offense*. This can land you in prison, and criminal penalties can be added on top of what you will have to pay due to civil penalties.

Bottom line, the risk of losing half the value of your IRA to set up a Home Storage Gold IRA and the risk of a criminal record isn't worth the effort involved in trying your hand at meeting all of the IRS's rules. It is much better to work through a reputable company to set up a Gold IRA through reputable Gold IRA companies.

Is Gold IRA a Good Investment?

The negatives of a home storage Gold IRA should not dissuade you from considering investing in a Gold IRAs in general. There are many upstanding companies with solid reputations that can help you set up a precious metals IRA that will offer stability and diversification to your portfolio.

In general, **gold is highly stable, with a general but slow trend upward in value.** This makes it a mild risk in terms of investment, though historical analysis of gold's value over the long term indicates that it will continue to rise in value.

Additionally, there are certain circumstances that make investing in precious metals, especially gold, an especially effective investment, and that is during periods of financial or world uncertainty. This circumstances are, in fact, present at the time of this writing.

The Bank of America reports that 92% of hedge fund managers they surveyed expect the economy to worsen in 2023. Some financial analysts have even gone so far as to use words like "stagflation" to describe their vision of the world financial situation.

In addition, the lingering events of COVID-19 and the war in the Ukraine continue to have an effect on the world economy in terms of workforce and the availability of goods and services. The Federal Reserve Chair Jerome Powell stated in a press conference in December 2022 "Russia's war against Ukraine has boosted prices for energy and food and has contributed to upward pressure on inflation."

Under these circumstances, the value of most financial portfolios is expected to depreciate, given that most investors have a healthy spread of financial instruments such as stocks and bonds. This includes traditional IRAs.

However, Gold IRAs are likely to *increase in value in proportion to the downturn*, since the price of gold and other precious metals expected to rise. In the midst of the economic crises of the 1970s and 1980s, gold nearly tripled its value during the peak of inflation and maintained a high value even after the market had stabilized.

A Gold IRA also has the advantages of traditional IRAs, which means no taxes on the transactions that occur within the account. In addition, any money invested into the IRA is taken off of the income that you are taxed on at the end of the year, further reducing your tax burden.

What are the Best Gold IRA Companies?

It is important to work with reputable Gold IRA companies when considering investing into Gold IRAs. The top two names in the business are Augusta Precious Metals and Goldco.

Augusta Precious Metals (visit here)

Augusta Precious Metals was selected by Money Magazine as the **best overall in 2022**. Money magazine specifically cited their customer education, noting that "...one of the attributes that make this company rise to the top of our picks is its video-blog series of reasons not to own gold."

Augusta Precious Metals' reputation is stellar no matter where you look; and by stellar, we mean five-star review after five-star review. Augusta has an **A+ rating** from the Better Business Bureau

and a **AAA rating** from the Business Consumer Alliance, as well as a **“Best of”** rating from TrustLink. Whether you look at their information on these sites, or Google Reviews, or Yelp, customers everywhere give **Augusta Precious Metals** excellent reviews.

Augusta Precious Metals makes it its mission to provide lifelong customer service to all of its clients, and work hard to educate its clients, to the point of being honest with its clients of whether owning gold is a good idea for them. They have live support online and on the phone whenever you need it.

Augusta Precious Metals also makes it easy for you to stay in the bounds of legality when it comes to dealing with the IRS. They deal primarily in gold and silver bullion and work only with award winning storage repositories: Equity Trust, Gold Star Trust Company, and Kingdom Trust. If you are interested in collectable coins as part of your portfolio, Augusta Precious Metals has taken the time to ensure that the coins are IRS-approved.

Augusta Precious Metals Reviews:

BBB	A+ Rating 4.9/5 from 109 reviews ☒☒☒☒☒
TrustLink	4.9/5 Rating From 283 reviews ☒☒☒☒☒
BCA	AAA Rating 5/5 from 95 reviews ☒☒☒☒☒
Consumer Affairs	4.9/5 Rating From 129 reviews ☒☒☒☒☒
Google Reviews	4.9/5 Rating From 294 reviews ☒☒☒☒☒

>> [Click here to get Augusta Precious Metals gold investment kit for 2023](#)

GOLDCO ([visit here](#))

Equally reputable is Goldco, a competitor to Augusta Precious Metals that fights it for the top spot amongst reviewers. Goldco is one of Inc 5000's fastest growing private companies, and is NASDAQ's number one recommendation as the best overall Gold IRA company. It has also won American Business Award's "Company of the Year" two years in a row.

Goldco is slightly more accessible than Augusta Precious Metals in terms of initial entry, with a minimum deposit of only \$25,000 - half of Augusta Precious Metals' required minimum deposit. There are benefits to investing with Goldco too - 5% back in free silver for investments over \$50,000, and 10% back in free silver with investments of \$100,000 or more.

Goldco only works with reputable custodians, giving you secure storage options. They assume the risk of fallouts from IRS audits so that you can invest with peace of mind. They also make it easy to convert part or all of your existing retirement account into a Gold IRA, with no tax penalty.

Goldco is also flexible, working with not only gold and silver but with palladium and platinum as well. And if you are a first-time investor, Goldco is a believer in an educated investor. They have a blog that offers frequent financial advice and also provide the latest precious metals news.

Goldco Gold IRA Reviews:

BBB	A+ 441 Reviews ★★★★★
TrustLink	4.8/5 Stars 253 Reviews ★★★★★
Consumer Affairs	4.8/5 Stars 1,160 Reviews ★★★★★
Google Reviews	4.9/5 Stars 1,231 Reviews ★★★★★
TrustPilot	4.8/5 Stars 1043 Reviews ★★★★★

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Conclusion

The risks of Home Storage Gold IRA, especially in light of the difficulty involved in setting up an LLC to properly handle storage of gold, are not worth the trouble of trying. While you may feel more comfortable having the gold physically in your possession, this violates IRS storage requirements, and will count against you in taxes.

However, Home Storage Gold IRA really does not offer much benefit over regular Gold IRA accounts. **In fact, it is better and easier to deal with regular Gold IRA accounts, especially if you go through a reputable Gold IRA company to establish the account.** All risks and liabilities for gold storage will fall on the Gold IRA company and the storage company rather than on you.

It is also a great time to consider rolling over some of your retirement assets into a Gold IRA account now, before potential downturns in the economy. A Gold IRA can help provide a hedge against the devaluation of your assets, especially your retirement funds.

If you are considering creating a Gold IRA, check with a reputable Gold IRA company today. Augusta Precious Metals and Goldco are the most recommended and most reputable names in the industry, and they can provide you with the education you need to make solid decisions about your investments.

Frequently Asked Questions

Can I Store my Gold IRA at home?

The short answer is no. As indicated in the article, a setup that would allow for home storage of Gold IRA is complicated and risky. It is better to avoid this by using facilities approved by the IRS, as per Internal Revenue Code Section 408(m).

Are Home Storage Gold IRAs a Scam?

If you are being offered a home storage option from a company that proports to be a precious metals IRA company, then chances are that they are selling you a scam. A key indicator that they are being less than honest is if they mention all the benefits of owning gold or compare themselves to regular Gold IRA companies without mentioning IRS guidelines for gold storage.

Is it Illegal to Store Gold at Home?

Buying and storing gold directly outside of a Gold IRA is not illegal; in fact, it can have a place in your portfolio alongside a previous metals IRA. However, the gold that you buy and sell directly is

subject to tax considerations. In addition, gold and precious metals are not liquid assets, so it may take time to convert your previous metals into cash when you need it.

If you decide that purchasing gold or other precious metals is a route you wish to take, Goldco and Augusta Precious Metals are reputable traders that you can work with without ever having to generate a Gold IRA account. They can also be great sources of information for news about precious metals.

Why do the purchase instruments come in coins or bars?

Buying coins can sometimes return more profits due to their valuation, which tends to be higher than the spot price of bullion. That said, there is no guarantee that the coins will have a higher worth, which will be determined by the collector.

What are the Costs of Opening and Maintaining a Gold IRA?

While different companies offer different fee structures, the average cost for opening a Gold IRA is \$100, and annual maintenance fees are roughly the same. Some companies may offer to waive these fees at certain levels of investment, either for a certain period of time or waiving it outright altogether.

The fee structure is something worth considering when investing into an account – these high fees may negate any gains that you make with the appreciation of your assets. Flat fee structures especially work better for investors that have a greater amount in their accounts.

Is it Difficult to Set Up a Gold IRA?

Due to the legalities, there is a lot of paperwork involved when setting up a new Gold IRA account. However, most reputable companies (and especially the two that are recommended in this article – Augusta Precious Metals and Goldco) will take care of the majority of the paperwork for you and make the transition a smooth experience. In fact, this is a telltale sign that of a reputable firm – if the company communicates with you and can explain the legal process to you without anything to hide, you know that you are working with professionals.

What are Some Common Gold IRA Scams?

There are a variety of scams out there, but one of the most common is a “bait and switch” tactic, where you are initially attracted in by offers of one deal, but when you reach the representative, you are pressured to buy something completely different. Another one is a Gold IRA company offering to buy IRA ineligible previous metals, such as jewelry or coins that do not contain adequate purity.

What Do I Do if I Suspect That I Have Been a Victim of a Gold IRA Scam?

If you think you've been the victim of a scam, you can contact the Federal Trade Commission, via the [FTC Complaint Assistant portal](#). You can also call the U.S. Securities and Exchange Commission (SEC) at (800) SEC-0330.

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>> [Click here to get Goldco investment kit for 2023](#)

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Company Website

<https://newsdirect.com/news/what-is-a-gold-ira-and-2-best-gold-ira-companies-reviewed-674216761>

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