



General FAQs

What service does Vantage provide?

Vantage Self-Directed Retirement Plans is a retirement plan recordkeeper for self-directed IRAs. We offer the same retirement plans as other plan administrators with one exception – we are committed to making self-direction easy for you. Vantage doesn't tell you what to invest in but rather, we timely and accurately facilitate your purchase of the assets that you choose with your IRA funds. A truly self-directed plan distinguishes itself from other plans by what the plan is invested in and who's directing the money.

Why do I need an administrator like Vantage?

The Internal Revenue Service requires a custodian to hold the IRA assets and the custodian is required to report transactions on the account. Due to some of the nuances of self-directed accounts, many custodians do not accept these types of assets. Vantage performs these requirements in an effective and efficient manner.

Is it legal to purchase non-traditional assets using my IRA?

Yes. The Employee Retirement Income Security Act (ERISA) of 1974 passed the responsibility of retirement saving from the employer to the employee. Created in 1975, IRAs provide individuals a chance to direct where their retirement funds are invested. The IRS code, instead of distinguishing which investments are allowed, identifies which investments are not permitted under these laws. Under both ERISA and IRS Codes, there are only two types of investments excluded: life insurance contracts and collectibles such as works of art, rugs, jewelry, etc. Refer to Internal Revenue Code Section 401 (IRC § 408(a) (3)).

Why haven't I heard about the option to self-direct my IRA?

It's a common misconception that the only investments allowed in a retirement account are stocks, bonds, CD's, and mutual funds. The truth is that broader investment options have been available to the public since the inception of the IRA in 1975. A Vantage Self-Directed Retirement Plan allows you the freedom to maximize your investment choices and invest in many types of assets.

What kinds of investments can I make with a Vantage Self-Directed IRA?

You can purchase real estate, notes, precious metals, private placements, accounts receivable, tax lien certificates, and so much more – basically, anything which is not prohibited as defined by the Internal Revenue Code.

What is a prohibited transaction?

A prohibited transaction is any improper use of your IRA by you or any disqualified person (party related to your IRA). Internal Revenue Code Section 4975 states: An IRA cannot engage in any transaction (direct or indirect) with anybody or anything considered related to the IRA. The tax code allows you to invest your IRA monies in almost anything within limits, with the exception of collectibles and life insurance contracts which are prohibited investments.

What is a self-dealing?

In general terms, self-dealing refers to a transaction that can provide you personally (instead of your IRA) with immediate financial gain. Because the basic concept of an IRA is that it is a trust intended to benefit you when you retire, when you invest through a self-directed account, your IRA, not you, owns the investment.

How often do I receive a statement on my accounts?

If you elect to enroll in online statements, you can view your account at any time and receive a year-end statement in the mail. If you do not enroll for online access, statements will be mailed on a quarterly basis.



What are required minimum distributions?

Required minimum distributions are the minimum amounts that must be distributed to you from your retirement account(s) after you reach age 70 ½ (with the exception of the Roth IRA).

If I do a conversion from Traditional → Roth and I convert \$100K, will \$100K be transferred or will the taxes be pulled from that \$100K?

The entire \$100K will transfer and you will be responsible for paying the taxes on that amount.

If I need to request a payment from my IRA to pay for expenses on an asset I own within my IRA how do I do that?

Please complete our Payment Authorization Form. This form gives Vantage the authorization to pay your expenses. Along with this form you will also need to submit an invoice for what we are paying.

Are there any transaction fees associated with taking a distribution from my IRA?

Yes. Depending on how you wish for us to send the funds to you, there will be either a \$5 check fee or a \$30 wire fee.

How can I pay for my fees when taking a distribution?

There are several methods. You can pay by check indicating in the memo line what fees are being paid, you can call and pay over the phone with a credit card, you can complete our credit card authorization form and fax it to our office, or, if there is cash in your Vantage account, the fees may also be deducted from the account prior to a check being issued to you.

Can I choose to have taxes withheld from my distribution?

Yes. Federal taxes can be withheld at a minimum of 10%. State can be withheld only if you live in the state of Arizona.

If I have a physical asset that I do not wish to liquidate but want to take as a distribution from my IRA, is that possible?

Yes. If you want to take possession of the actual asset you can do that however, some additional items are needed to satisfy those requirements including providing Vantage with a Fair Market Valuation or appraisal done by a third party, re-registering the asset and providing confirmation of same, payment of any outstanding administration fees, payment of transaction fees, and submittal of a Distribution Form for processing.

What if I don't have enough money in my account when doing a monthly distribution?

You will be notified that there are not enough funds to process your request. You deposit funds in your account to ensure you will get the distributions for the following months.

I had an emergency expense that I paid from my personal credit card. How can I get reimbursed so that I don't create a prohibited transaction?

Simply follow the same steps that you would if you had Vantage pay the Invoice first. Please submit a Payment Authorization Letter requesting the payment to yourself while also submitting an invoice showing the expense you previously paid.

Can I have payments automatically paid monthly or quarterly and do I have to worry about contacting you each month before the bill is due?

Yes. Please indicate your payment details and frequency on the Payment Authorization Letter.

Will I be notified that the Payment Request has been processed?

Yes. We will send you an email confirmation informing you that your request has been processed. We will also let you know when the funds will be sent or ready for pick up.



What if I don't have enough funds in my account to pay my bill?

You will be notified that there are not enough funds in the account to pay your bill. Once there are funds in the account, your Payment Authorization Letter will be processed within two business days.

Do I need to send a bill with the Payment Authorization Letter?

Yes. We use that bill to ensure we have all the information to process your request efficiently.

My husband and I share a property 40% and 60%. Can we use one Payment Authorization Letter?

No. We need two separate Payment Authorization Letters submitted with the correct percentages for each of you with each account number reflected therein.

What is Unrelated Business Income Tax?

UBIT is often referred to in two different forms: Unrelated Business Income Tax (UBIT) and Unrelated Debt Financed Income Tax (UDFI). UBIT applies to IRAs invested in entities that do not pay taxes (such as LLCs) and are an operating entity of a business that produces in excess of \$1,000 per year in income.

UDFI relates to an IRA that is debt financed provided that the net gain is more than \$1,000 in a year.

UBIT is applied to profits made on the sale of a debt financed property.

Can my IRA be sued?

Yes. Your IRA may be subject to legal action. IRAs are not always exempt from creditor claims and are never exempt from federal or state taxing authorities. However, some states do not permit creditors to collect from IRAs.