



Your IRA Related Party Worksheet (AKA The Bad List)

Account Holder IRA: _____

Account Holder's Spouse IRA: _____

Account Holder's Natural Parents IRA: Mother _____ Father _____

Account Holder's Natural Grandparents

Mother's Side: Grandmother _____ Grandfather _____

Father's Side: Grandmother _____ Grandfather _____

Account Holder's Natural Children + Spouses

Son(s): _____

Daughter-In-Law(s): _____

Daughter(s): _____

Son-In-Law(s): _____

Account Holder's Natural Grandchildren + Spouses

Grandson(s): _____

Grandson's Spouse: _____

Grandaughter(s): _____

Grandaughter's Spouse _____

Anyone Providing Services to the IRA

Any Fiduciary of the IRA

Name of entities owned (over 50%) or controlled by Account Holder or any Related Party (LLCs, Trusts, Estates, Corporations, Limited Partnerships)

How to Avoid Self-Dealing and Prohibited Transactions with Your IRA

Two key terms you'll want to remember about Self-Directed IRA investing are 'self-dealing' and 'prohibited transactions'. In general terms, self-dealing refers to a transaction that can provide you with a financial benefit, instead of your IRA, which is a no-no. A prohibited transaction is any improper use of your IRA by you or anyone the IRS has defined as a disqualified person (i.e. parties related to your IRA).

The IRA guidelines allow you to invest your IRA savings in almost anything, with the exception of collectibles and life insurance contracts.



With Whom Can Your IRA Make An Investment?

The following chart depicts parties related to your IRA and those not related to your IRA. Your IRA can make allowable investments with non-related parties only. Please keep in mind that a related party is not the same as a relative within the IRA guidelines.

Related Parties

- ✿ Your brothers and sisters
- ✿ Your spouse's brothers and sisters
- ✿ Your spouse's parents
- ✿ Your spouse's grandparents
- ✿ Your stepchildren
- ✿ Your spouse's stepchildren
- ✿ Your grandparent's spouse, if not your natural grandparent
- ✿ Your aunts, uncles, and cousins
- ✿ Your ex-spouse/life partner

Non-Related Parties

- ✿ You
- ✿ Your Spouse
- ✿ Your natural parents and/or your adoptive parents
- ✿ Your natural grandparents
- ✿ Your natural children and/or your adopted children
- ✿ The spouses of your natural children
- ✿ Any fiduciary of your IRA
- ✿ Any people providing services to your IRA
- ✿ Corporation, partnerships, trusts, or estates in which you own, directly or indirectly, at least 50%



Below are common types of prohibited transactions between a related party (disqualified person) and an IRA which should always be avoided.

- Borrowing money from the IRA
- Selling, exchanging, or leasing property to the IRA
- Receiving compensation for managing property held by the IRA
- Using the IRA as security for a loan
- Transferring plan income or assets to disqualified persons

