



# Real Estate in Retirement Accounts

## Discover Possibilities Beyond the Traditional

Investing in real estate for the purpose of growing retirement wealth or turning retirement savings into income is becoming more popular. Millennium Trust Company provides the highest level of administrative expertise as well as exceptional service to individuals wishing to self-direct a portion of their retirement funds into real estate.

### Real Estate Retirement Accounts

Investors have access to a wide range of real estate that can be held in self-directed retirement accounts, sometimes known as 'Real Estate Retirement Accounts'. The type of real estate chosen is usually based on location, previous experience or cash flow analysis. Examples of real estate-related investments include:

- Raw land
- Multi-family units
- Farms
- Commercial property
- Resort property
- Pre-construction investments
- Residential property
- Private funds
- Condominiums
- Real estate development companies

Investors should always 'do the math' when considering an investment in real estate using retirement funds. The Internal Revenue Code requires that any expense related to a retirement-funded real estate investment must be paid directly by the retirement account. These expenses can include, but are not limited to, closing costs, real estate taxes, fees, insurance, utilities, maintenance, repairs

and renovations. An investor must also determine the best investment approach: direct purchase of the real estate by the retirement account; as a tenant in common with other Millennium investors; or possibly leveraging the investment through a non-recourse loan.

### Learn the Rules

When using retirement funds to invest in real estate it is critical that the investor understand the IRS rules and regulations to avoid prohibited transactions with disqualified persons that could lead to immediate distribution of the account with taxes and penalties incurred. A prohibited transaction is any improper use of the retirement account by the account owner, beneficiary or any disqualified person (spouse, ancestor, lineal descendant and any spouse of a lineal descendant). Examples of prohibited transactions include:

- Selling real estate to it or using retirement account assets as security for a loan
- Buying real estate for personal or certain family use
- Providing "sweat equity" in connection with the renovation of real estate held in the retirement account

Investors should educate themselves by reviewing IRS Publication 590, Internal Revenue Code Section 4975, and consult with their advisors.

### Build a Team of Experts

When using retirement funds to invest in real estate, self-directed investors have learned the value of working with a team of professionals, each with their own specialty and value:

- A financial advisor for investment and asset allocation
- A CPA for tax, accounting, and IRS reporting requirements
- An attorney for contractual issues
- A realtor for investment property identification
- A lender who alters non-recourse loans
- A property manager to manage income-producing properties
- A custodian to provide cost-effective custodial services

Your ally for  
specialized  
custody services

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We are your ally in supporting a diversified multi-asset portfolio. We provide access to, and custody solutions for, alternative investments so you can take advantage of new and emerging opportunities with confidence.

## Service

For sophisticated investors, we believe support is essential to provide a fluid experience. Millennium Trust is always available — by phone or email — to answer your questions or support your needs.

We are completely independent and unbiased, and while we don't provide investment advice, we prioritize the custody of your assets, regulatory transparency and your satisfaction as a client.

## Access

As a custody provider, we provide you with access to a wide range of choices.

Custody for alternative investments and retirement and taxable accounts through our website.

Access to a wide spectrum of investment options for qualified investors through our Millennium Alternative Investment Network® (MAIN®).

More options mean more opportunity to diversify your portfolio.

## Expertise

Established in 2000, Millennium Trust is an expert provider of specialty custody solutions that make access to alternative assets possible. Our custody expertise gives you the peace of mind that the details are taken care of. Whether it's hedge funds, or real estate, traditional investments, or a range of other investments, Millennium Trust has the know-how to provide the right custody solutions for you.



Ask us about our real estate debit card that puts the payment of maintenance expenses and repairs in your control.

### Contact

realestateadmin@mtrustcompany.com  
or call 877.538.5729 to learn more  
and set up a real estate debit card for  
your IRA.

## ABOUT MILLENNIUM TRUST



Privately-owned trust company headquartered in Chicago area

• Specializing in custody and retirement services

• Over 1.2 million client accounts

• More than \$26.6 billion assets under custody

• Regulated by the State of Illinois



Established in 2000, Millennium Trust is an expert provider of custody solutions committed to the evolving needs of advisors, financial institutions, businesses, and individual investors. Millennium Trust empowers clients with trusted expertise, exceptional service and access to a wide range of custody solutions. Whether you are managing alternative assets, investment accounts or retirement funds, we are uniquely qualified to service your custody needs.

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For more information, visit us at [mtrustcompany.com](http://mtrustcompany.com) or call us at 866.388.9419

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ABOVE AND BEYOND CUSTODY®

