

Single-Member LLCs

ACHIEVE MORE CONTROL OVER RETIREMENT FUNDS

An IRA at **Midland IRA** allows private offerings in a self-directed IRA unlike 99% of other IRA administrators that only allow stocks, bonds, and mutual funds.

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Gain the benefits of your very own dedicated representative, a personalized login to your online client portal, and quick turnaround times. With Midland IRA, you can open a new account in one business day, and investments are funded in one business day following receipt of certified funds and approved investment documents. You are charged a flat asset fee unrelated to the size of the account or investment performance.

Items to Consider



The LLC manager has the ability to write checks and make deposits to the LLC bank account.



Enjoy quick acquisition of investments since purchases are facilitated by the LLC's manager.



The LLC's manager must keep excellent records of transactions and avoid engaging in prohibited transactions with disqualified parties per IRC 4975.

www.midlandira.com



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Serving clients nationwide
with offices in
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(239) 333-1032

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The Process Defined



Investor sets up the IRA with Midland IRA at apply.midlandira.com.



LLC is created with the IRA as the **sole member** using the IRA's EIN and title.



IRA with Midland IRA is **funded** via transfer, rollover and/or contribution.



LLC manager establishes an **operating account** for the LLC at a bank of their choice.



Account holder directs Midland to **invest the IRA funds** to the LLC.



The investment is **titled** in the name of the LLC.



Annually, the LLC manager provides Midland with **current market value** of the LLC and its holdings.



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Important FAQs

Can I (as the account holder) manage the LLC?

The IRS does not explicitly forbid the account holder from being the LLC's manager, though the account holder must not be compensated for their oversight of the LLC.

Can I invest into an LLC I already have setup?

No. It would be a prohibited transaction to invest your IRA into an entity which you, a disqualified person, own.

Do I establish the LLC or the IRA first?

Since the IRA's titling and EIN will be used when listing the membership, you should open the IRA before setting up the LLC.

How do I add money via contribution or rollover to the LLC, and how do I take distributions?

It is extremely important to understand the functionality and purpose of both the LLC and IRA. For all IRA related line items such as a contribution, rollover or distribution, those must all occur through the account at Midland IRA. When adding money to the LLC, the account owner makes their deposit to the IRA with Midland IRA, then directs our office to send funds to the operating account. All distributions or transfers to another IRA would require the LLC manager return funds to the Midland account first.

Can Midland IRA assist me with establishing an LLC?

Yes, by using Midland IRA, you will work with our professionals in the establishment of your Single Member LLC, ensuring that your LLC is set up correctly to comply with IRS and custodial guidelines. Please contact our office for more details.

Does this LLC need to file a partnership return (K1)?

No. When an IRA is a single member of the LLC, it is considered a disregarded entity for tax purposes as referenced in IRS Publication 3402.

