



**Presentation Proposal – Summary and Outline**  
*[Spokane Estate Planning Counsel – January 30, 2018]*

**Title:** The Care and Feeding of Self-Directed IRAs

**By:** Warren L. Baker, JD., LL.M., Fairview Law Group, PS

**Summary:** The investment of retirement accounts into non-publicly-traded assets (e.g., real estate, private equity, notes, etc.) has increased rapidly over the past 15 years. The IRS (and other federal government agencies) has taken notice and is increasingly scrutinizing the marketplace, both directly (via audits) and indirectly (via tax returns and custodian disclosures). Regardless of a particular client’s investment objectives, it is vital for professional advisors to understand potential legal, tax, and estate planning landmines before they occur. As “self-directed” retirement accounts (whether IRAs or qualified plans) continue to grow (in both size and importance to many Americans, particularly high-net worth individuals), a professional advisor can distinguish himself or herself from the crowd by understanding the unique issues that these accounts often create.


Attendees can expect to learn about how to identify and plan for the two most significant legal concerns facing self-directed IRAs: prohibited transactions and currently taxable income (“unrelated business taxable income” – UBTI). Attendees will also learn how to manage IRS scrutiny risks, conduct an annual IRA checkup, and plan around unique liquidity and estate planning characteristics of self-directed IRAs with non-traditional assets.

**Outline:**

1. An Introduction to Self-Directed IRAs (“SDIRA”)
  - a) SDIRA landscape – a view from the trenches
  - b) Types of SDIRAs – not one-size-fits-all
  - c) IRS scrutiny – past, present, future
  - d) Federal government oversight (e.g., GAO reports)
2. Evolving federal scrutiny
  - a) IRS oversight and audit risks
  - b) Government Accountability Office (GAO) reports
3. Prohibited transactions (PT)
  - a) “Automatic” PTs
  - b) “Fiduciary” PTs

 **Fairview Law Group**  
500 Yale Avenue N, Suite 384  
Seattle, WA 98109

 206-753-0305

 206-400-1662

 [www.fairviewlawgroup.com](http://www.fairviewlawgroup.com)

- c) Incapacity and post-death estate planning PT concerns
  - d) Recent tax court cases involving PTs (and lessons learned)
4. Current tax on IRA income
    - a) Unrelated business taxable income (UBTI)
      - i. Beware of flow-through from LLCs and LPs
      - ii. Unknowing IRA custodians (even the big boys!)
    - b) Unrelated debt-financed income (UDFI)
    - c) IRS Form 990-T
  5. Unique Required Minimum Distributions (RMD) issues with non-traditional assets
    - a) During life and post-death
    - b) Valuation concerns (hot button issue)
  6. IRS Forms that deserve your attention
    - a) Form 5498 and recent IRS changes (what do they mean?)
    - b) Form 5329 (the one no one files, but they should!)
  7. Confidentiality concerns and impact on IRS audits
  8. Rollover as Business Start-Up (“ROBS”) vs. Self-directed IRA/LLCs – they are still *not* the same thing, but unfortunately no one seems to be telling the client that fact