



LIVE WEBINAR

BROKER POWER HOUR

Welcome Guest

- ▶ We appreciate your attention and participation.
Please close other windows and browsers.
 - ▶ Have technical issues? Email us at brokersforum@nar.realtor
- ▶ Relax, smile, and enjoy this presentation.
We will begin in a couple of minutes.



BROKER.REALTOR

Welcome

03.27.2024

March Broker Power Hour

Session Materials Provided



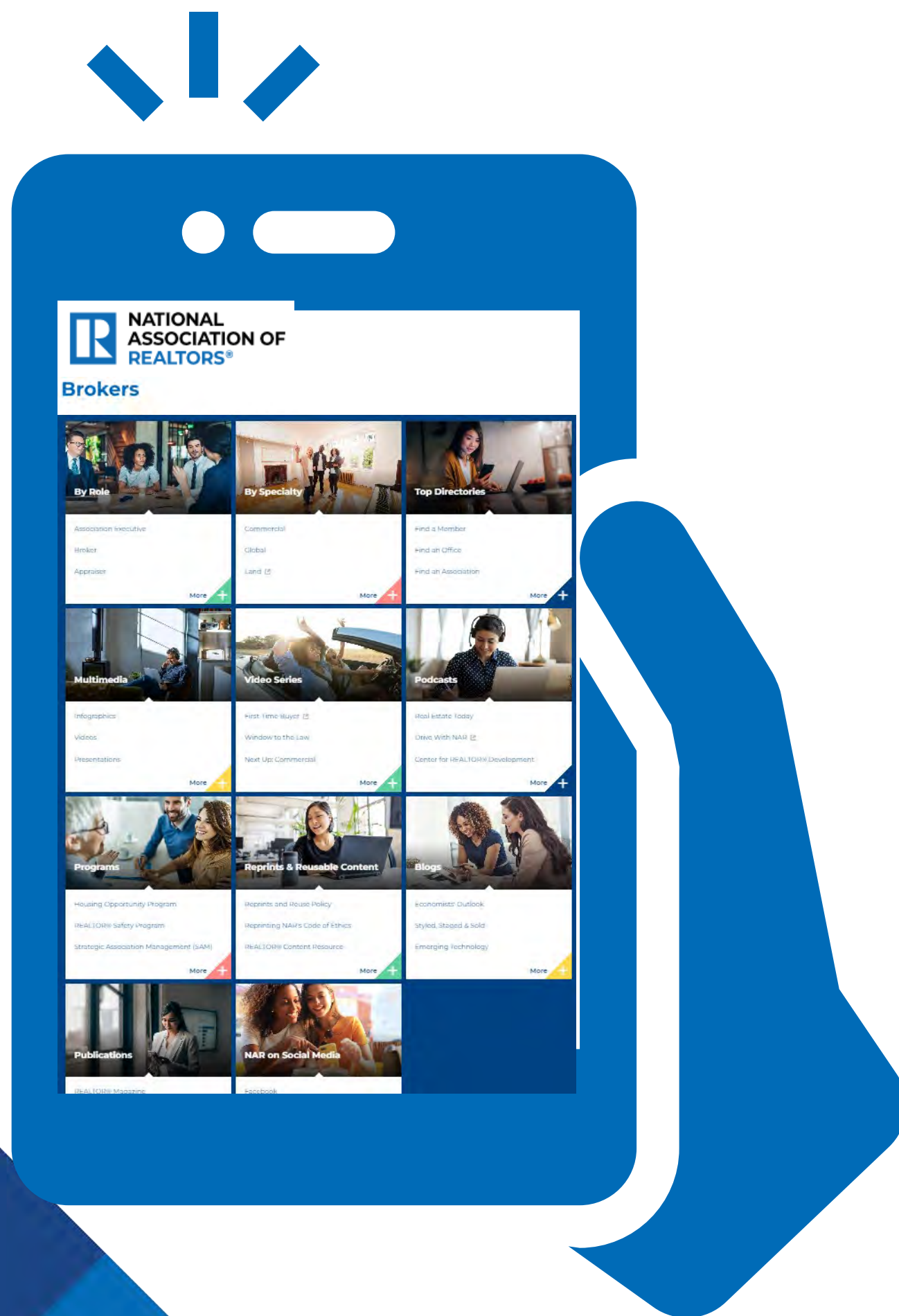
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NAR's Advocacy Team



Jason Craig

IRAR President

Certified IRA Services Professional (CISP)



The Key to Recruit And Retain

Top-performing Agents and Boost Sales



DISCLAIMER

IRAR Trust (IRAR) does not provide investment advice or endorse any products.

All information and materials are for educational purposes only. All parties are encouraged to consult with their attorneys, accountants, and financial advisors before entering any type of investment.





AGENDA

We Will Cover:

1. A low-cost, flexible incentive for your agents
2. Build retirement wealth with real estate
3. Gain a competitive advantage to grow sales



IRA FACTS

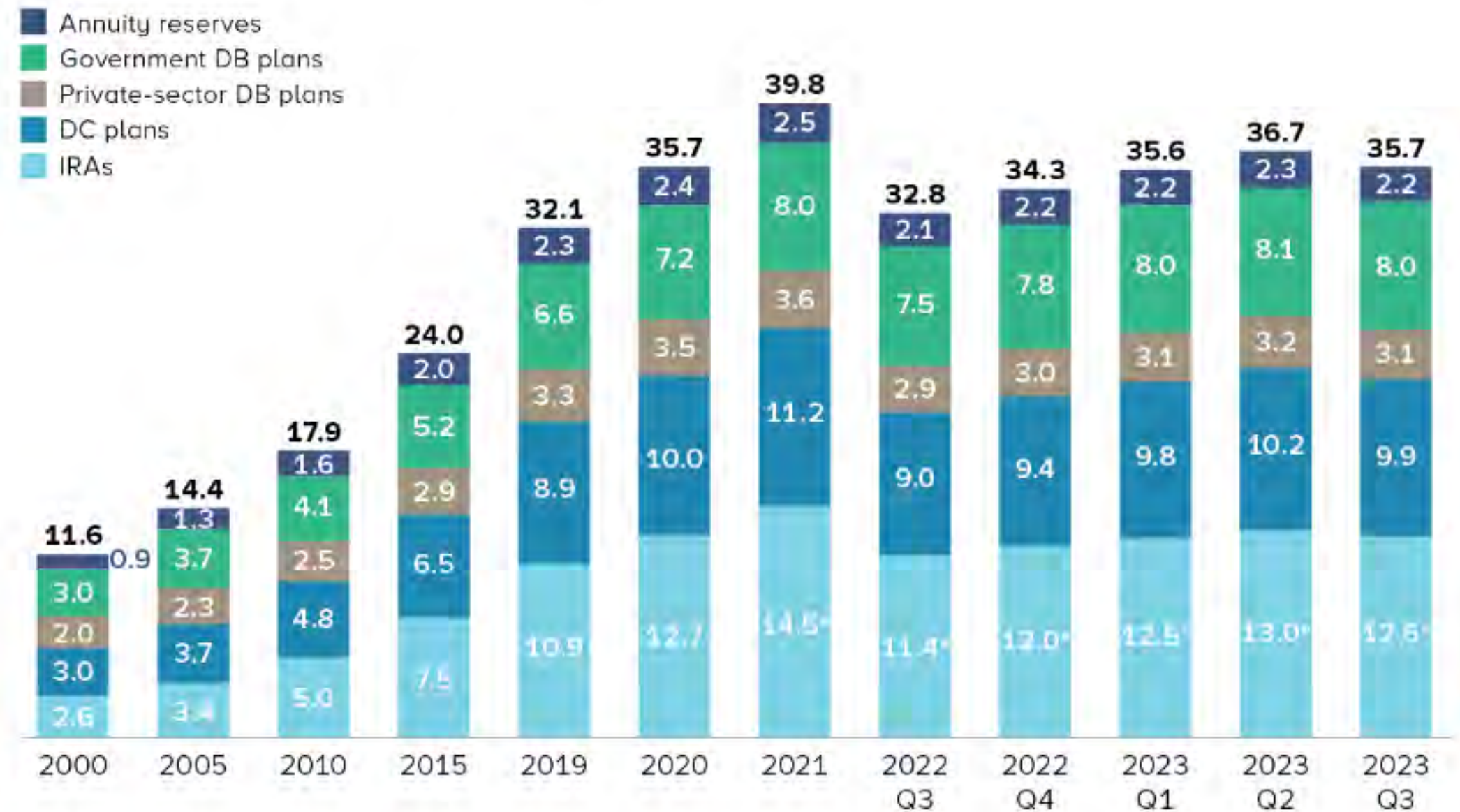
- ❑ \$35.7 trillion in retirement Q3 2023
- ❑ \$12.6 trillion in IRAs alone
- ❑ 10% in SDIRAs as of 2022

Retirement Assets Total \$35.7 Trillion in Third Quarter 2023

Washington, DC; December 13, 2023— Total US retirement assets were \$35.7 trillion as of September 30, 2023, down 2.8 percent from June 30, 2023. Retirement assets accounted for 32 percent of all household financial assets in the United States at the end of September 2023.

US Total Retirement Market Assets

Trillions of dollars, end-of-period, selected periods



Sources: Investment Company Institute, Federal Reserve Board, Department of Labor, National Association of Government Defined Contribution Administrators, American Council of Life Insurers, and Internal Revenue Service Statistics of Income Division

CHALLENGE: RECRUITING AND RETAINING TOP AGENTS

- ❑ Highly competitive industry competing for talent.
- ❑ Top agents have multiple offers and negotiate for the best benefits and perks.
- ❑ Traditional benefits often fall short of attracting and retaining top performers if even offered.



A WIN-WIN SOLUTION: HOW REAL ESTATE IRAS BENEFIT YOUR BROKERAGE

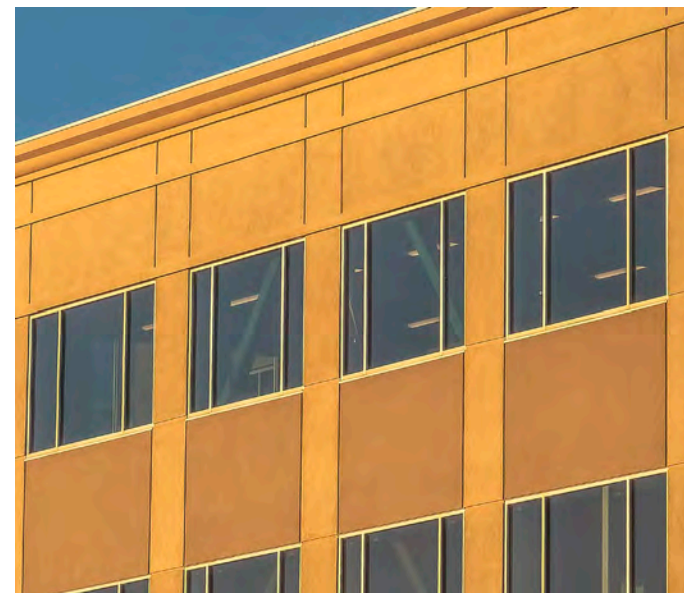
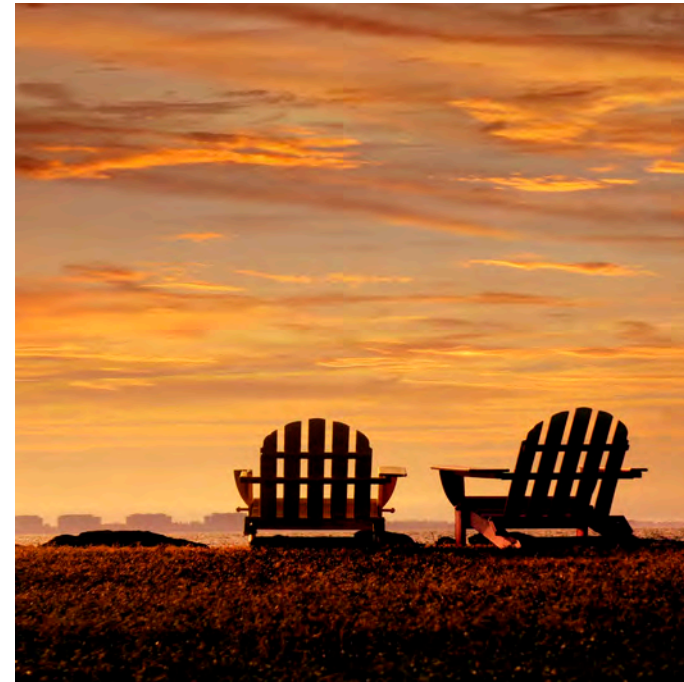
- ❑ Attract top talent with a unique and industry-specific benefit proposition.
- ❑ Increase agent retention by providing a valuable long-term incentive.
- ❑ Motivate agents to close more deals to contribute to their retirement savings.
- ❑ Enhance your brand image as an innovative and agent-centric brokerage.



POLL QUESTION:

Do you have W-2, 1099 agents or both?

WHAT ARE REAL ESTATE IRAs?



Definition

A Real Estate IRA is a term often used for a self-directed IRA that invests primarily in real estate

Title/Vesting

The IRA is the owner of the asset.

IRAR Trust FBO Client's Name IRA, Client's IRA #12345

Real Estate Types

Any kind of real estate is eligible

PLANS

Individuals

- ❑ Traditional IRA
- ❑ Roth IRA

Small Business Owners

- ❑ **SEP** - Simplified Employee Pension
- ❑ **Solo 401(k)** - also known as Individual 401(k) (No W-2 employees)
- ❑ **SIMPLE** - Savings Incentive Match Plan for Employees





SEP IRA - SBO

Who can establish a SEP IRA?

- ❑ REALTOR® with or without employees:
 - Sole proprietors
 - Partnerships
 - C corporations, S corporations

Who can participate in a SEP IRA?

- ❑ REALTORS® and employees who worked 3 of a 5yr period for the business
- ❑ Over 21 years of age
- ❑ Earned at least \$750 in 2023 from the business





SOLO 401(k) - SBO

Who can establish a Solo 401(k)?

- ❑ REALTOR® business owner with no employees

Who can participate in a Solo 401(k)?

- ❑ All REALTOR® Broker/owners of the small business and their spouses (the only employees)

Protected against bankruptcy and creditor claims





SIMPLE IRA - SBO

Who can establish a SIMPLE IRA?

- ❑ REALTOR® small business with 1-100 employees provided you did not previously maintain a SIMPLE IRA plan.

Who can participate in a SIMPLE?

- ❑ Employees (including the broker owner) who earned at least \$5,000 in the past two calendar years and expects to receive at least \$5,000 during the current calendar year.





ROTH & TRADITIONAL IRA

Who can establish an account?

- ❑ Anyone
- ❑ Transfer old 401(k)
- ❑ Can have additional account: Employer plan, Solo 401(k), SEP, SIMPLE

Who can participate?

- ❑ Anyone who has earned income
- ❑ No age limit



PROHIBITED TRANSACTIONS: RULES

Disqualified Persons

- ❑ IRC 4975 (e)(2)
- ❑ Lineal ascendants and descendants (siblings are okay)

Prohibited Transactions

- ❑ IRC 4975 (e)(2)
- ❑ Transactions that involve lineal ascendants and descendants (siblings are okay)

Disallowed Investments

- ❑ Life insurance
- ❑ Collectibles



HOW IT WORKS:

Explore Investing Strategies

- ❑ Options for structuring your deal

Open and Fund the Account

- ❑ Negotiated fees for NAR members and their clients
- ❑ Transfers, rollovers, contributions



Direct Purchase

Your IRA purchases the investment all at once, with cash you have available in the account

Partnering

When you bring in other sources of cash to fund the real estate purchase

Non-recourse Loan

A loan to your IRA, the borrower

IRA LLC

It is not required but can incorporate several strategies

EXPLORE INVESTMENT
STRATEGIES



FUNDING ACCOUNT

Transfer

- ❑ Direct Custodian to Custodian transfer

Rollover

- ❑ Usually for 401(k) from previous employer
 - **Indirect:** Take a check and deposit to your personal account. Retirement money needs to be put in an IRA within 60 days to avoid taxes
 - **Direct:** Direct bank to bank movement of assets and funds.



THE INVESTMENT

Purchase

- ❑ Make sure the account is opened and funded first
- ❑ Make an offer in name of the IRA or if Solo(k) Plan, in name of plan

IRAR Trust FBO Jason Craig Acct. #12345

- ❑ Instruct the custodian to buy the property
- ❑ IRAR signs all documents in name of the retirement plan

Post Purchase

- ❑ All income and expenses flow through account



STRUCTURING YOUR BENEFITS OFFERING

You decide what is the best option for you and your business.

- Easy set up
 - Have a solution readily available
 - Make it part of onboarding
 - They set up on their own
 - Set up as part of payroll
 - No cost to you





STRUCTURING YOUR BENEFITS OFFERING

- ❑ Incentives
 - Pay the retirement account fees
 - Fixed amount from commissions
 - Offer match

- ❑ Tools
 - Real Estate IRA training
 - Real Estate IRA tools
 - Pooling funds



NEXT STEPS

- 1. Partner with a Custodian**
- 2. Educate yourself and team**
- 3. Lead by example**



Providing a Benefit to Your Agents

- Unique long-term, industry-specific benefit
- Agent-centric brand
- Grow your business

Plans Available

- For individuals
- For self-employed
- For Broker

How it Works

- Rules
- Getting started
- Educate your team, lead by example

TODAY'S
TAKE AWAY

POLL QUESTION:

What would you like to learn more about?

THANK YOU!



JASON CRAIG, President

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Upcoming Events

■ 2024 Broker Summit

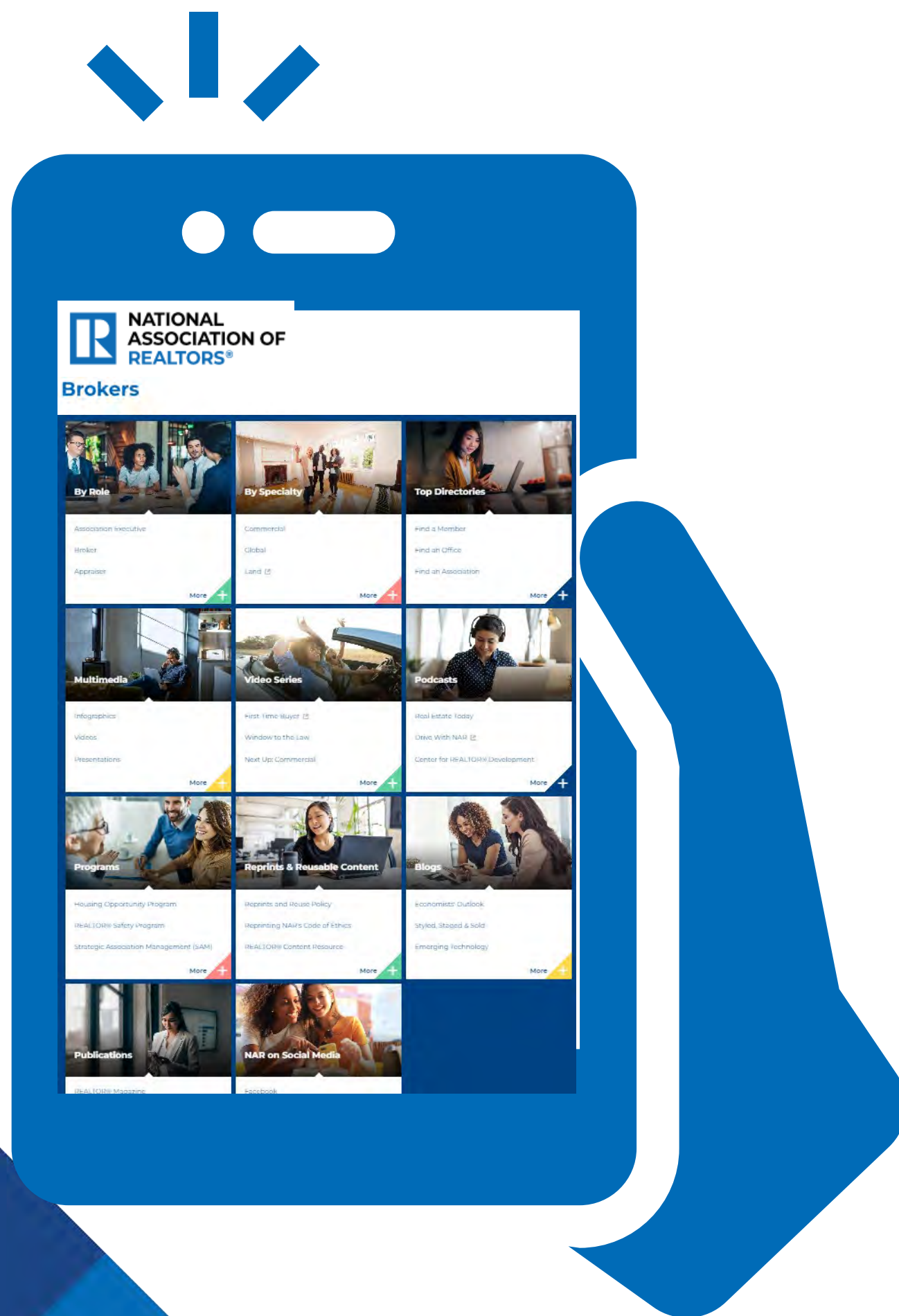
- April 18-19
- San Diego, California
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How Real Estate IRAs Work: A Strategy to Help Brokers Build Retirement

As a broker, you are in a unique position to save for retirement and grow your business by helping clients diversify their retirement portfolios. After all, you come across the real estate deals firsthand and know the market inside and out. But REALTORS® who are NOT familiar with self-directed IRAs may be missing out on a great opportunity. Discover how to use this powerful investment tool to secure your retirement and increase your value to your clients.

During this event, you'll learn:

- What the main rules are for real estate investing with an IRA
- How to create deals with popular strategies
- How to make a purchase offer with IRA funds
- How to pay bills and deposit rent checks
- Key tips to grow your business-building awareness



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