

Little-Known Features of the Self-Directed Roth IRA

American IRA's most recent post puts the microscope on some of the lesser-known features of the Self-Directed Roth IRA.

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/EINPresswire.com/ -- While the Roth

IRA is a popular retirement account, not every investor knows everything this account is capable of. That's the

idea at a recent post at American IRA, where the Self-Directed IRA administration firm recently highlighted Self-Directed Roth IRAs and all they're capable of, at least for savvy investors who are cognizant of these capabilities.



AMERICAN IRA
Self-Directed IRAs and 401Ks

www.AmericanIRA.com

In the post, American IRA started by explaining that there aren't Required Minimum Distributions (RMDs) with a Self-Directed IRA. To clarify why this might matter, it's important to understand RMDs in the first place. With tax-deductible contributions to an account like a Traditional IRA, the IRS will require that at a certain age in retirement, investors begin to take out a certain amount of money from the account. This ensures that the government does eventually receive the taxes on this money, which has gone untaxed while under the protection of the IRA over a period of years or even decades. But in a Roth IRA, RMDs aren't necessary because these accounts are funded with after-tax dollars, meaning taxes have already been paid on it. Investors are free to keep the funds within a Roth IRA as long as the investor chooses.

American IRA also explained that there are potential tax benefits for beneficiaries who inherit the Roth IRA. This can make Roth IRAs powerful investment tools for people who want to use them as estate planning strategies. And because of these advantages, investors can potentially help beneficiaries save in the future, in the possibility that a Roth IRA's value is passed down to an heir. Of course, American IRA stresses the importance of working with a financial planner and estate planning expert to ensure the right decision for each individual's situation.

American IRA also explained some exceptions to the early withdrawal penalty, which can be a tremendous boost to anyone who wants to use a Roth IRA but isn't sure about committing retirement funds to an account that may hold it for several decades. This means holding a Roth IRA can give some investors additional flexibility that they might not have anticipated.

To learn more about how it all works with Self-Directed Roth IRAs, seek out American IRA by visiting its blog at www.AmericanIRA.com. Alternatively, interested parties can reach out to American IRA by calling 866-7500-IRA.

Rebekah Schram
American IRA, LLC
+1 828-257-4949
[email us here](#)

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