



# One of the Best Kept Retirement Secrets - Why You Want to Get a 401K

Hello,

I'm Richard Geller, CEO and operating manager of [FinancialSuccessInstitute.org](#). If you are not already a regular reader and subscriber to the vital information and resources provided by the Institute, I encourage you to visit the website and sign up now at: [FinancialInvestmentInstitute.org](#). The Institute is devoted to researching and providing information about high return alternative investments that you can physically hold in a self directed 401K and a Roth 401K. Almost always, these are very different from what your financial planner tells you about.

This issue of our newsletter is devoted to helping readers understand why they want to get a 401K, even if they already have another account such as an IRA. There are big risks associated with an IRA that are explained in the article comparing an IRA to a 401K. Readers will also be interested in the Institutes expert panel report: [Real Estate IRAs and Real Estate 401Ks](#).

No one cares more about you becoming wealthy than you do and no one else should. You'll do much better taking full control of your financial future starting today! The way to do that is with a self directed 401K and 401K. At

[FinancialInvestmentInstitute.org](#) you'll learn exactly how to do it!

Please visit us at [FinancialInvestmentInstitute.org](#) to leave general questions and comments. However, we cannot give direct advice because we don't know the details of your situation or all the laws in your state regarding securities and investments.

Thanks and Wishing You Great Success With Your Investing,

Richard Geller

## Subscribers Ask - What is a 401K?

January 7th, 2012

Here, Financial Success Institute responds to a question a number of subscribers have asked – What is a 401K? There is a serious misperception about what is a 401K? Especially the Solo 401K. The confusion about what is a 401K is significant enough that [Forbes Magazine](#) recently ran an article outlining the Solo 401K for sophisticated investors. Here is an expert of Forbes answer to the question – what is a 401K?:

*“One of the great advantages of a Solo 401(k) is the ability to play the roles of both employer and employee, enabling the owner to contribute up to \$49,000 of his annual income tax-deferred in 2011 (or \$54,500 if at least 50 years of age). That’s a generous amount that might even drop the owner into*

*a more advantageous tax bracket that can fast track the owner's time to retirement."*

That should generate interest in what is a 401K and how is it different from a Solo 401K. The Solo 401K is a retirement plan for people that are self employed. It has characteristics similar to employer 401K plans but allows more generous contributions. Self employed professionals need to know what is a 401K because it can shield their income from taxes and generate true wealth.



*Self employed professionals such as super models need to be asking "What is a 401K and what is a Solo 401K?" Photo courtesy of: [www.flickr.com/photos/bobbekian/5598879078](http://www.flickr.com/photos/bobbekian/5598879078)*

Another answer to the question, what is a 401K and what is a Solo 401K is that only the Solo 401K can be used for alternative investments such as real estate, gold, or even a Hollywood feature movie. No third party custodian is necessary the way self directed IRA rules require. Another great answer to what is a 401K.

If your Hollywood movie deal doesn't work out, you'll be glad knowing that bankruptcy protection is part of the answer to the question "What is a 401K?" Another feature is it offers better protection from the IRS from prohibited transactions. A prohibited transaction is a death warrant to an IRA but only comes with a slap on the wrist for a 401K. Keep asking what is a 401K and the institute will provide the answers.

The Forbes article highlights these benefits in answer to the question "What is a 401K?"

*"The high contribution limits, tax savings and easy access to cash via penalty-free loans make the nominal price for solo 401(k)s a savvy financial move for any owner-only business that wants to save more than \$5,000 a year (the traditional IRA limit)."*

The penalty free loans are significant. When you know what is a 401K, you'll know that a husband and wife can jointly take

out a loan up to \$100,000. Every way you answer the question what is a 401K, it keeps coming back superior to the IRA.



*Knowing what is a 401K and Solo 401K won't help your physical health but it will do wonders for your financial health" Photo courtesy of: [www.flickr.com/photos/daveynin/4491798768](http://www.flickr.com/photos/daveynin/4491798768)*

Answering the question what is a 401K and how can you start a Solo 401K is one of the most important financial questions you'll ever ask. The Institute strives to provide the answers you need when you ask tough questions like what is a 401K and a Solo 401K?

Something else you'll learn answering the question what is a 401K and Solo 401K is it's a great way to payoff debt. You can use a 401K loan to repay debt and start paying interest to your retirement account simultaneously. Through Financial Success Institute you'll discover a creative way to settle debt for dimes on the dollar and use your Solo 401K to repay it while paying the interest to yourself.

This short article is a start to answering the all-important question – What is a 401K and how is it different from a Solo 401K? As you look for alternatives to losing money on Wall Street, the best question you can continue asking is what is a 401K and how can I take advantage of all the benefits of owning a Solo 401K. The answer to the question what is a 401K and how is a Solo 401K different doesn't lead to the answers most people think.

**What insiders know:  
Five Secret Retirement  
Investments, some paying 18%  
fully secured (your financial  
advisor did NOT tell you about  
these!)**

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written by Richard in *Free Reports*



Only insiders seem to know how to earn 8%, 11% or more with these top five investments your financial advisor DID NOT tell you about. We scoured our experts for the five best and least known investments you can make inside your IRA, your 401K or your personal account. Some require a few minutes a month, others require no time at all. And all of them are only known by insiders and they have the potential to help you take your savings to the next level.

## IRA vs. 401K: Which Is Better?

January 7th, 2012

### IRA vs. 401K, which is better?

I'm often asked which is better, the self directed ira or the self directed 401K.

Like everything else in the tax and financial world, the short answer is "it depends" but there is a much deeper answer and this is one that the so-called financial community hates.

The IRA vs. 401K debate boils down to dollars and sense to this so-called financial community.

If you get a self directed IRA or just a plain IRA or a Roth IRA, you need a custodian and that means someone gets custodian fees. And if they don't charge fees, they get to hold your money.

Schwab lets me keep an IRA with them and the fees are modest or non-existent but my money sits in Schwab and I have no choice about it.

If I go to a self directed IRA, I need a custodian. If I go with someone like Equity Trust for my self directed IRA, I may pay them as much as \$2000 a year or more between my various accounts. That's a big fee.

And it's every year.

IRAs always have custodian responsibilities and there is either a fee charged, or a "you are stuck with us" clause.

Not so with a 401K.



*Am I cool enough for my own self directed 401K? Photo courtesy of flickr.com/photos/pauldineen/*

### In the IRA vs. 401K which is better debate, the 401K stands apart (but don't tell anyone!)

In 2002 Congress made the rules around the 401K much better for the average Joe. So now almost anyone can have a 401K. Even if they already have a 401K at work.

If you have your own 401K, you can be your own custodian. Most people don't know this. The advantage is that you get the checkbook. You can put your money in stocks and bonds if you want, or in real estate as a real estate 401K. The self directed 401K has huge advantages:

- No trustee fee
- You can contribute as much as \$50,000 or more per year
- You can roll you and your spouse's IRAs into the 401K and pool your money to make bigger investments
- You can buy an apartment building or a rental house or a future vacation house with your 401K
- You can borrow up to \$100,000 (if you are married) from your self directed 401K and pay yourself back with low interest (and the interest builds in your self directed 401K so you are paying yourself)

### So now what is better, a self directed IRA or a self directed 401K?

Now you know the truth. But don't tell anyone. You want to get a self directed 401K. You have all the advantages and none of the disadvantages of the IRA.

However, the self directed IRA industry will argue with you. Because they stand to lose big money once more people know the truth.



Finally, and this is ultra important, if you make a mistake with an IRA, the whole IRA can be treated as a distribution and you can owe huge tax on it. With a 401K there is a much more forgiving process if you make a mistake. And, to top it off...

## **A self directed 401K asset protection secret**

A 401K cannot be easily seized. Even by the IRS. In most cases. Even if you owe money and even in bankruptcy.

This is not true of an IRA. The IRA is being taken down by creditors and the IRS in various states. The 401K has great asset protection and if you own an apartment building or a house or mortgage notes in your 401K or even gold coins (all of which depending on the technicalities and rules are possible investments in a self directed 401K) these cannot be taken by creditors.

So which is better, the IRA or 401K? Now you know the truth. Please leave a comment or question. Thank you.

- Buy and HOLD gold and silver coins so you have them PHYSICALLY in your possession, but they are owned inside your retirement account
- Works even if you have a J-O-B, even if your J-O-B already has a 401K for you

## **Don't get a self directed IRA until you read this dangerous report!**

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written by Richard in *Free Reports*



We've gone to some of the foremost experts who make their money AWAY from Wall Street to put together this report showing you how you can possibly convert to a MUCH better retirement account option that most people don't know about

- Pool most/all of your present IRAs into one "super account"
- Buy rental properties, mortgage notes, or your dream home INSIDE your retirement account
- Get tax free income for life with MUCH higher potential returns than you'll ever get from an annuity