Title: Reasons to just withdraw your GME shares from your Traditional IRA for DRS rather than transferring to a self-directed IRA
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Not financial advice, just some food for thought on the rules for IRAs and DRS

tldr; Distributions from Traditional IRAs (not Roth) are taxed as income, not capital gains. So even if you diamond hand for a year you will pay top of the tax bracket when GME moons. Withdrawing 'In-Kind' to pay income tax (edit: plus 10% penalty) on the current value, DRSing, then capital gains tax on the moon level may be financially advantageous. Plus you really really own your shares (no custodian looking over), and IRAs with super high value may be limited in the future.

With all of the Fudelity news I, like many others, have been looking at ways to transfer more of my position to DRS but am tapped on shares in my regular cash brokerage (about 40% of my xxxx position). In doing some research I've decided to just withdraw my shares from my Traditional IRA and DRS the regular way for the following reasons:

- [**Traditional IRAs are taxed as income**](https://www.investopedia.com/articles/personal-finance/021015/how-much-are-taxes-ira-withdrawal.asp) **(!!!Most Compelling Reason for Me!!!!)**

From Investopedia: '*When you withdraw the money, both the initial investment and the gains it earned are taxed at your income tax rate in the year you withdraw it'.*

This means that no matter how long you've held your shares (even over a year), you will be paying at the top of the income tax bracket (37%) when you finally withdraw your gainz (even if after you turn 59 1/2). For me, this is a compelling enough reason to withdraw now, pay income tax (edit: plus 10% penalty) at the current value (thanks for the dip today Kenny!) and then at worst pay (edit: short) term capital gains (20%) when it moons.

It is worth considering that doing this will reset your cost basis (could be good or bad) and short/long term capital gains clock (not great) , so best to assume you will end up paying the short term rate. It will also increase your tax burden this year, so make sure you can cover it even if GME doesn't moon by April (assuming you withdraw this month).

- You will ***fully*** **own your shares**

One thing that I couldn't shake from my mind when reading about transferring to a self-directed IRA was that I would still have a large firm with potentially some say as to what happens to those shares. Maybe my FUDAR is high right now, but being completely free from the brokerage system on something this huge is worth what short costs that may come.

- [**IRAs with huge value may be going away**](https://www.cnbc.com/2021/09/13/house-democrats-propose-new-retirement-plan-rules-for-the-wealthy.html)

tldr; New laws may limit how much you can have in an IRA, so the benefits may be moot anyways

Instructions for transferring: Ask for an 'In-Kind' transfer to your regular brokerage account. For Fidelity, ask for an equities trader (IRA agents can't do it In-Kind). My Fidelity agent didn't think I could do this at first, so be sure to keep pressing if they try and sell and transfer as cash!

Again, this may not be for everyone, but worth looking into at least