

Title: For Roth IRA holders: You can withdraw and DRS your shares up to your contribution limit with NO TAX PENALTY OR CUSTODIAN

Author: gooseears

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****Disclaimer****: this only applies to Roth IRAs, not traditional IRAs or Roth conversions. Also I am not a financial advisor, and this is not financial advice. Please read this whole post and do your own research before doing anything. I also put blue crayons in my cereal this morning because it tastes good.

Reposting this just to get more eyes on this. If you have a Roth IRA, I just want you to know you have options when it comes to those funds.

#TL;DR Notes:

- * This post only applies to Roth IRAs. Does not apply to Traditional IRAs or Roth conversions.
- * All post-tax contributions you made to your Roth IRA can be withdrawn at any time without a tax penalty.
- * I am not talking about DRSing the whole account to maintain your tax advantaged status, therefore a custodian is not needed.
- * Because the price of GME is low, now is the perfect time to transfer as many shares as you can up to your contribution total and not be hit with taxes.
- * Your broker will insist this is a taxable event. Although this is technically true, you will incur no tax penalty as long as you only withdraw contributions, and not any earnings.
- * You do not have to sell anything to withdraw. You just transfer the shares directly.
- * Once transferred to your brokerage account, they can be DRSED as normal.
- * You will lose your tax free status on withdrawn shares, so you will have to pay taxes on any shares sold.

#Common Misconceptions

* *I'm under 59 1/2 years old. I cannot pull any money out without a penalty.* **Not true. You can pull out all of your contributions (not earnings) at any age for any reason.**

* *My Roth IRA is less than 5 years old, so pulling out any money will incur a 10% early withdrawal penalty* **Again, not true. You can still pull out all of your CONTRIBUTIONS (not earnings) no matter how old your account is.** (This does not apply to Roth conversions.
<https://www.investopedia.com/roth-ira-conversion-rules-4770480#toc-beware-of-the-five-year-rule>)

* *I have to sell my shares and then transfer the cash out and then re-buy the shares.* **Nope. You can withdraw the shares directly from your Roth to your brokerage account**.

#Bottom Line

You can withdraw assets from your Roth IRA ****up to your contribution total**** without a tax penalty. You've already paid the taxes on that money, you don't pay taxes on it twice.

#Drawbacks

* You will lose your tax free status on these shares withdrawn. Capital gains taxes will apply when you sell. Carefully weigh the pros and cons of withdrawing your contributions before doing anything.

* Your cost basis will get reset on any shares you pull out of your Roth IRA. All of the lots will be lumped together and a new cost basis and date acquired will be set, based on that day's closing price. So any long term held shares will be reset back to short term. Not that big of a deal IMO since you don't take advantage of long term capital gains from an IRA anyway.

* Once you withdraw, you cannot re-contribute those funds or assets back. You're still limited by your

yearly contribution caps.

#Why not DRS the whole IRA instead of withdraw?

That's your decision to make. There are guides available on here to DRS IRAs:

* https://www.reddit.com/r/Superstonk/comments/tc3n8g/how_to_drs_your_ira_shares_the_god_mode_cheat/

* https://www.reddit.com/r/Superstonk/comments/scpxs9/another_path_to_drsira_with_no_taxable/

Personally, I don't like the idea of needing a custodian. I want to pull as many shares as I can away from all of this nonsense and put them in my name, and my name only. Also, I'm not planning on living another 30 years to take any qualified distributions. I want my money now.

#Links

I have my Roth with Fidelity, but this applies to all Roth IRAs:

<https://www.fidelity.com/building-savings/learn-about-iras/ira-early-withdrawal>

>If you are considering withdrawing from a Roth IRA, you can always remove your original contributions without penalty.

or

<https://www.investopedia.com/the-pros-and-cons-of-an-early-withdrawal-from-your-roth-ira-4770546>

>You can withdraw your contributions from your Roth individual retirement account (IRA) at any time and for any reason

or

<https://www.hrblock.com/tax-center/irs/tax-responsibilities/early-withdrawal-penalties/>

>Because your Roth IRA contributions are made with after-tax dollars, you can withdraw your regular contributions (not the earnings) at any time and at any age with no penalty or tax.

or Google it yourself for a dozen other sources that say the same.

#Okay, I'm in, wut do?

I'm not providing financial advice, so I will just tell you what I did. I went back through all of my annual statements for my Roth IRA and totaled up all of my contributions. Then I waited until market close for the closing price of GME. I divided my contribution total by the price to get how many shares I can pull out without a tax penalty.

For example, I put in \$6000 over the years, and the closing price is \$100. Therefore, I can pull out 60 shares. I have 100 shares in my account because I used earnings from other holdings to buy more, but I can only pull out my contributions (60 shares). I cannot withdraw earnings (the other 40) without incurring a tax penalty.

I called up my broker and said "Hi, I would like to transfer xxx shares from my Roth IRA to my brokerage account". They had me acknowledge this is a taxable event (even though I know it's not, but it would be if I withdrew my earnings as well). 45 seconds later, my accounts are updated and shares are moved. I also had the rep verify for me my contribution total to make sure it lined up with my calculations. They hit my brokerage account, waited for them to settle, DRSeD them, and they just landed in Computershare today.

#"Oh, but earnings on those shares are tax free!!! You should have left them in there!!!"

Yeah, there's a fuckin reason. Retirement accounts are what the banks and wall street use for leverage. That's literally why they exist. They lobby congress to pass tax benefit laws for retirement accounts to dupe you into sticking your money in there and forgetting it for 40 years. Then they use it to fund their parties.