

BITCOIN RETIREMENT

# Bitcoin IRAs compared

COMPARING FUTURES, SPOT,  
NO-KEY-CONTROL,  
& PHYSICAL BITCOIN

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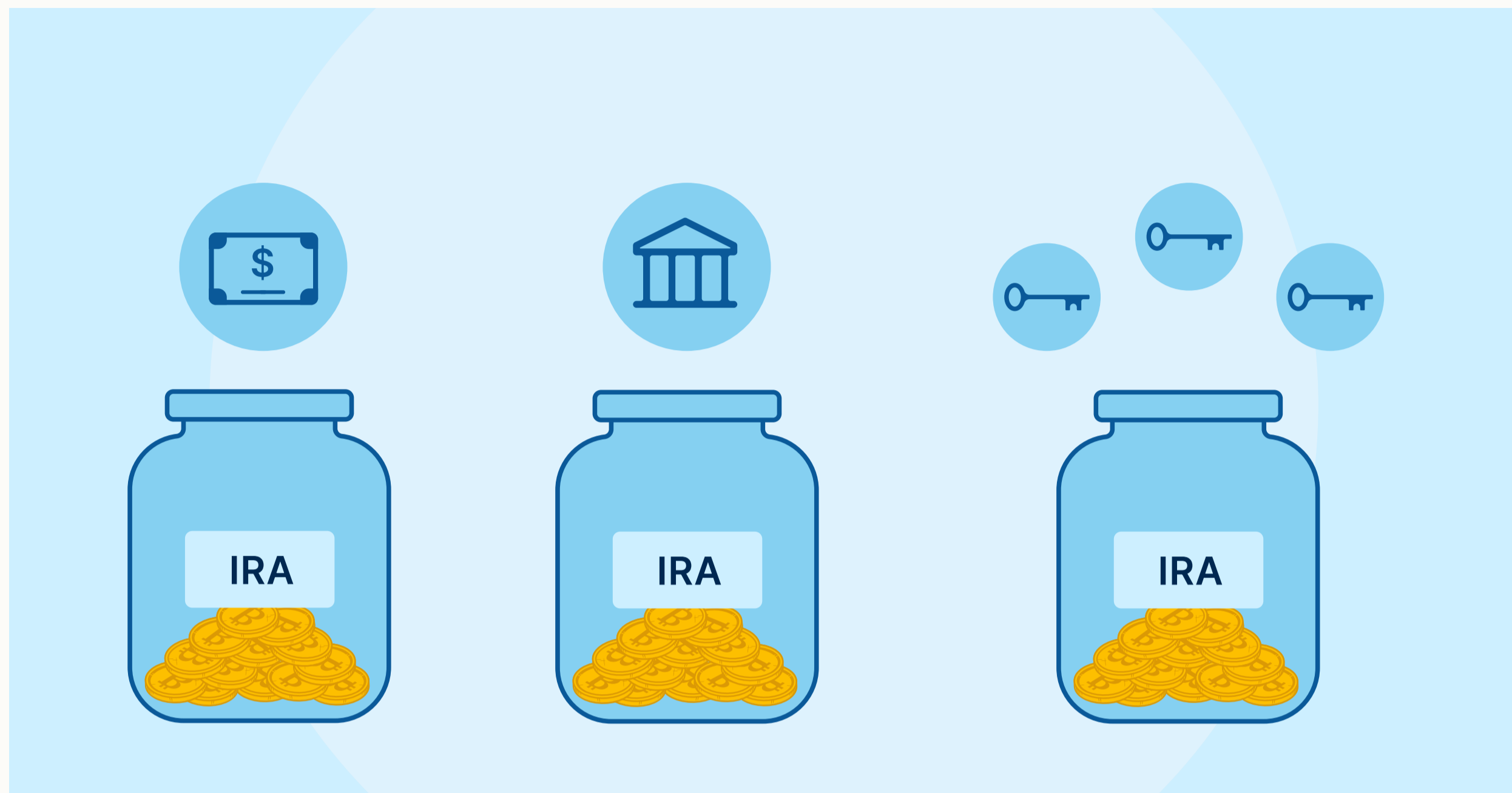


# Outline

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If you understand why bitcoin is an asset to hold for the long term, you may also wonder how to take advantage of retirement tax structures to minimize your tax expenditures. There are many different ways to approach holding bitcoin in an IRA, and as with everything in bitcoin, each has its trade-offs. Let's look at how the many different bitcoin IRA approaches compare.

asset that exists outside the traditional financial system, and the appreciation of that asset as measured in fiat terms.

The four most common approaches to holding your bitcoin in an IRA have different trade-offs related to these two benefits:

## I. Sovereignty and appreciation

Before we can cover these approaches to bitcoin retirement savings, you have to understand the two most important benefits you receive by holding bitcoin: financial sovereignty and purchasing power. That is, the freedom you gain from holding the private keys to a digital bearer

	SOVEREIGNTY	PRICE APPRECIATION
BITCOIN FUTURES ETF	NO CONTROL OF KEYS	INDIRECT EXPOSURE TO PRICE
BITCON SPOT ETF	NO CONTROL OF KEYS	MOSTLY DIRECT EXPOSURE TO PRICE
BITCOIN IRA WITHOUT KEY CONTROL	NO CONTROL OF KEYS	DIRECT EXPOSURE TO PRICE
BITCOIN IRA WITH KEY CONTROL	FULL CONTROL OF KEYS	DIRECT EXPOSURE TO PRICE



Beyond these two factors, the other differences are a bit more nuanced. Let's take a closer look.

## II. Four ways to hold bitcoin in an IRA



### Bitcoin futures ETF in a brokerage IRA (BITO)

One previously-popular way to get exposure to bitcoin with minimal effort was with a futures ETF like ProShares Bitcoin Strategy ETF (BITO). This fund intends to offer investors managed exposure to bitcoin futures. Futures are financial contracts that require involved parties to perform a transaction at a given future date and price. You get no key control—a futures ETF like BITO doesn't even hold physical bitcoin itself. BITO is still available, but its popularity has declined since the launch of bitcoin spot ETFs in 2024.



### Bitcoin spot ETF in a brokerage IRA (IBIT, FBTC, GBTC, etc.)

Bitcoin spot ETFs launched in 2024, giving investors access to a bitcoin-proxy financial product with far more direct exposure to bitcoin's price than the previous futures and trust products. Like bitcoin trusts and futures ETFs, you do not have key control over any physical bitcoin with these products. However, spot ETFs do themselves hold physical bitcoin with custodians like Coinbase, Fidelity, and Gemini. They track the price of bitcoin closely because authorized participants have the right to create and redeem shares of the ETF, keeping price in line with its net asset value.



### Bitcoin IRAs without key control (iTrust Capital, BitcoinIRA)

Many bitcoin IRA products allow you to buy real bitcoin but don't offer any key control, like iTrust Capital, BitcoinIRA, Swan Bitcoin IRA, and others. Like the bitcoin proxy products, these products provide no control over your private keys. The largest benefit is that you get direct exposure to the price of bitcoin because physical bitcoin is held on your behalf. In these products, bitcoin is titled to you and in some cases it is possible to send it in-kind if you change IRA providers. You may also have more flexibility with trading options compared to a spot ETF.



### Bitcoin IRAs with key control (Unchained IRA, Choice)

Key control is important for various reasons, but it's all rooted in bitcoin principles more broadly. Bitcoin allows you as an individual to custody your wealth in a way that was never possible before. If you don't hold your keys, you ultimately hold a bitcoin IOU, and the key holder can make arbitrary decisions like change associated fees, rehypothecate, and more. Another often-ignored component is that companies holding your keys can fail; you become an unsecured creditor if a company becomes insolvent.

There are bitcoin IRA products on the market that offer complete control of your bitcoin private keys and direct exposure to the underlying asset's price movement. With these products, you eliminate single points of failure by controlling the keys to your physical bitcoin held in a multisig wallet. One of these products is the [Unchained IRA](#).

## III. Bitcoin IRA comparison

### Convenience

Holding bitcoin proxies like the spot ETF in your preexisting IRA account will be the easiest way to get exposure to the bitcoin price. It's as simple as typing in a ticker symbol and buying the product, as long as your brokerage offers it. If you're new to bitcoin and want to experiment with exposing your portfolio, the spot ETFs also let you easily trade in and out of your position at will—albeit only during market hours in most cases. As many trade-offs as these products have, they win this category.

No-key-control bitcoin IRA products are the clear runner-up for convenience since you don't have to consider key management practices while still getting direct exposure to the bitcoin price.

### Price correlation

If you're holding a bitcoin proxy like a spot ETF in a brokerage account, you aren't holding real bitcoin, but you are still holding a well-engineered financial tool that correlates well with the bitcoin price with minimal slippage. Still, the spot ETFs aren't perfect—nothing will do better than holding bitcoin itself when it comes to price correlation.

Whether you hold the keys to your bitcoin or not, products that allow you to hold physical bitcoin will track the price of the underlying asset, which is preferable for most investors.

### Counterparty risk

Products like the spot and futures ETFs, as well as the no-key-control IRAs, don't offer you the benefit of key control, which means you're exposing your wealth to many layers of counterparty risk. For the spot ETFs, for example, you're trusting the custodian (likely Coinbase, Fidelity, or Gemini), the ETF issuer itself, and the broker where you have a retirement account.

Another side effect of these proxy products and no-key-control IRAs is that you may eventually have to sell and take a distribution in U.S. dollars. With bitcoin IRAs with key control, you can withdraw real bitcoin from your account without penalty at retirement age. As the world shifts to a bitcoin standard, you may not need or want to sell it back to fiat when the time comes.

The adage of old remains true: "not your keys, not your bitcoin." The bitcoin protocol was built to give you the opportunity to take control of your wealth. Controlling your keys minimizes counterparty risk and eliminates single points of failure.

## Cost

The cost spectrum across all the bitcoin IRA products is broad, as is the value you receive.

The spot ETF products are relatively affordable—charging as little as 0.2%, which is far better than the hefty 1-2% that you’d pay for the convenience of GBTC or BITO before the spot ETFs were available. Still, the annual fees on spot ETFs can add up to tens of thousands of dollars, depending on your holdings and the appreciation of bitcoin.

Among the bitcoin IRAs that don’t offer key control, iTrust Capital is currently the most affordable approach to holding bitcoin in an IRA. On the other hand, competitors like BitcoinIRA are a bit more mysterious as to what their fees are—making it unclear how they compare on this front.

The Unchained IRA has a higher one-time setup fee, but lower annual fees and trading fees, leading to much lower fees over time.

## IV. Key takeaways

The only way you can hold bitcoin in an IRA while gaining the two benefits it was built for, limited supply and key control, is to hold bitcoin in a key-control bitcoin IRA.

While a key control IRA may require more from the client to learn to hold bitcoin keys correctly, we believe it’s time well spent to receive a basic bitcoin custody education. Multisig custody, in particular, eliminates single points of failure and trusted third parties.

Spot ETFs held in a brokerage account can also be a decent option if you want to immediately get exposure to bitcoin as you learn more about the technology and the importance of key control. But know that they can be costly in the long term, especially if the price of bitcoin rises dramatically over the coming years, and expose you to multiple layers of counterparty risk.

	CONVENIENCE	PRICE CORRELATION	COUNTERPARTY RISK	COST
BITCOIN FUTURES ETF	HIGH	INEFFICIENT	HIGH	HIGH
BITCOIN SPOT ETF	HIGH	GOOD	HIGH	VARIES
BITCOIN IRA WITHOUT KEY CONTROL	HIGH	BEST	HIGH	VARIES
UNCHAINED IRA	FULL RESPONSIBILITY	BEST	MINIMAL	LOWER FEES OVER TIME

## Onboarding, bitcoin IRAs, and beyond

If you already hold a bitcoin proxy product in an IRA at a traditional financial institution, we make it easy to roll over into physical bitcoin with key control through an Unchained IRA. And if you already have a physical bitcoin IRA, we can even take rollovers in-kind if your provider supports withdrawals.

We're also your partner for Concierge Onboarding and beyond, so you can get help from bitcoin experts on your self-custody journey—no matter where it takes you. Anyone can learn to securely hold their bitcoin keys with the help of our Concierge team. [Book a complimentary consultation](#) for more details.