

Delegating on IOTA: A Comprehensive Guide

Key Features

IOTA was initially launched in April 2021 as a feeless, DAG-based protocol. In May 2025, it transitioned to a full Proof of Stake (PoS) blockchain using a Delegated Proof of Stake (DPoS) consensus model. Under this system, token holders delegate their IOTA to validators, elected based on stake and responsible for securing the network and processing transactions. The protocol maintains its core principle of feeless and scalable infrastructure, now underpinned by an energy-efficient PoS framework tailored for institutional-grade performance and composability.

Block Time and Fee Structure

- Epoch Time: ~24 hours
- Transaction Fees: None (zero-fee model)
- Reward Emissions: Funded through protocol-level minting, not transaction fees.
- Zero-fee Transactions: Incentives come from inflationary rewards, not user-paid fees

Delegating Overview

Delegators vote with their IOTA tokens, and top-ranked validators become active

Minimum Stake

No minimum or maximum stake



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Delegating Overview [Cont.]

Warm-up / Bonding Periods

There's no bonding period. Delegations are unstaked in the epoch after they are broadcast.

Cool-down/Unbonding Periods

There's no unbonding period. Delegations are unstaked in the epoch after they are broadcast.

Rewards Overview

Reward Structure Highlights

Rewards are distributed every epoch through the following mechanism:

- 1.767,000 IOTA per Epoch:** This is the fixed inflationary reward pool currently issued per 24-hour epoch.
- 2. Stake-weighted Distribution:** Rewards are divided among validator pools based on their total delegated stake.
- 3. Commission Deduction:** Validators deduct a commission (δ_v), up to 20%, from their pool's rewards before distributing the rest proportionally to delegators.
- 4. Proportional Payouts:** Remaining rewards are allocated proportionally among all stakers in the pool.

Example: If you delegate 10% of a validator's total stake, and that validator earns 100 IOTA after commission, you receive 10 IOTA.



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Rewards Overview [Cont.]

Reward Structure Highlights

Due to the transaction fee-free design of the chain, delegator rewards comprise of newly minted tokens only.

Payout Timing

Rewards are distributed to the validator and delegators at the end of every epoch and must be manually claimed.

Compounding rewards: Compounding is platform-dependent. Some wallets and custodians auto-compound rewards, while others require manual claiming and re-staking.

Expected APR: ~12.92%

Slashing Overview

Slashing Possibility: No

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