

Trump Accounts

What You Need to Know

As part of the recently enacted “One Big, Beautiful Bill Act” (OBBBA), Congress introduced a new type of child-focused savings vehicle called a “Trump Account” designed to help families invest in their children’s financial futures. Trump Accounts went live on July 4, 2026, and can now be established and funded. Below are facts advisors and investors need to know as they discuss and consider Trump Accounts. We are expecting to see additional regulations roll out and will send additional information as we receive them.

What is a Trump Account?

1. A government-sponsored savings vehicle modeled as a variation of Individual Retirement Accounts (IRAs) under Section 408(a) of the Internal Revenue Code.

The Trump Accounts must be established through Treasury and their initial custodian, Robinhood. Guardians will be able to track the accounts online and see information on an interactive app the Treasury Department released in June.

What does 530A refer to?

2. 530A is another name for Trump Accounts and is referring to the section of OBBBA that established the program. Some experts are beginning to use it when talking about Trump Accounts to align them more closely to other names, such as 401(k)s and 529s, etc.

Who is eligible for a Trump Account?

3. To be eligible for a Trump Account, the child must:
 - a. Be a U.S. citizen
 - b. Have a Social Security number
 - c. Under the age of 18
 - d. A child for whom no prior Trump Account pilot program election has been made and processed

Who can open a Trump Account?

4. The election to open an account can be made by an “authorized individual” or the Treasury Secretary. The ordering framework from highest to lowest priority for who can make the election is a legal guardian, a parent, an adult sibling, or a grandparent of the beneficiary. Under the rules, the individual electing to open the account on behalf of a beneficiary must represent that there is no person with higher priority available to make the election.

If an election was made by an individual who was not an authorized individual, the Treasury Secretary “is deemed to have made the election to open the Trump Account.” Treasury will not auto enroll qualified children because it would violate disclosure of taxpayer information.

If the authorized individual of an open Trump Account needs to be replaced, the proposed rules specify that applicable state and federal law or the account agreement will outline next steps.

The authorized individual has authority to make investment choices, as well as request to rollover the Trump Account to another brokerage or private bank or request a transfer for a qualified ABLE rollover contribution.

A child welfare agency of a state that is the legal guardian of an eligible child with a social security number may elect to open an initial Trump Account for that child. The IRS is working with each state to provide guidance and ensure agencies have the necessary information to successfully complete this process.

Will Treasury use Automatic Enrollment for Eligible Children?

5. In its March 2026 proposal, the Internal Revenue Service and Department of the Treasury largely envisioned that Trump Accounts would be established by parents, guardians, or other authorized individuals acting on behalf of eligible children. The agency acknowledged Treasury's statutory authority to establish accounts but contemplated only limited use of that authority.

The September proposal takes a much broader view. Treasury now proposes to affirmatively create initial Trump Accounts for eligible children pursuant to its authority under Section 530A(b)(2)(C)(i). Treasury specifically states that the earlier March 2026 proposal did not fully resolve the legal and administrative issues surrounding automatic enrollment due to implementation time constraints.

Under the proposal:

1. Treasury identifies eligible children.
2. Treasury makes the election to establish the initial Trump Account.
3. An account is created for the beneficiary.
4. The account can subsequently receive eligible contributions, including certain government-funded contributions and future deposits authorized by statute.

What is the Trump Account Pilot Program?

6. To be eligible for the pilot program \$1,000 contribution from the U.S. Treasury, the child must be born between January 1, 2025, and December 31, 2028. Form 4547 includes an option for an individual to request the \$1,000 pilot contribution.

The pilot program election must be filed by a parent or guardian with a qualifying child for the year the election is made. Treasury noted that expecting parents may want to make an election and could be able to do so before the tax year that the child is born.

How is the \$1,000 Pilot Program contribution distributed?

7. When the pilot program election for the contribution is made, the child will be treated as making a \$1,000 payment against a federal income tax liability, resulting in a \$1,000 overpayment, which will then be refunded as a pilot program contribution to the child's Trump Account.

Since overpayment amounts can be offset by taxes owed, but the statute requires a full \$1,000 payment to a child's Trump Account, the pilot program election is made for the child's "special taxable year" rather than the calendar year.

No \$1,000 refund will be paid except as a contribution to the child's Trump Account. If a pilot program election is made for a child without a Trump Account, the child will not receive the \$1,000 refund from Treasury.

What are the investment requirements?

8. Funds must be invested in U.S. equity index funds that track the stock market and managers cannot charge more than 0.10% in annual fees. For now, all contributions will be invested in the funds specified by the IRS. In the coming months, Treasury expects to allow parents to choose how to allocate funds across additional eligible investment options selected by Treasury.

For more information about the eligible investment lineup, please refer to the additional resources section below

What are the contribution limits?

9. The maximum annual contribution will be \$5,000 and indexed to inflation beginning in 2028. Contributions will generally be made with after-tax dollars. Treasury is currently working on guidance on whether the contribution will count against the gift tax limit.

Parents' employers can contribute but are capped at \$2,500 per employee, pre-tax. Treasury is working with the major payroll companies on how to execute the program for employers who want to offer it.

Contributions from governments and charities do not count towards the \$5,000 total, which will be distributed by the Treasury Department.

In June, Treasury released an initiative providing flexibility for states to deposit federal survivor benefits into Trump Accounts of foster children. These contributions count towards the annual contribution limit of \$5,000 per account.

Additionally, in September, Treasury released a proposal allowing contributions of corporate stock that can then be allocated to the Trump Accounts of eligible beneficiaries within a designated class which could allow corporations, foundations, and other organizations to use equity interests to help capitalize accounts.

The qualified stock contribution framework operates alongside the statute's broader qualified general contribution provisions that allow funding from governments, charitable organizations, and other qualifying contributors. Rather than making individualized gifts to specific children, the contribution must be structured to benefit an entire eligible class of beneficiaries under uniform rules.

What about children born before 2025?

10. Children born before Jan. 1, 2025 and under 18 are still eligible but won't qualify for the \$1,000 incentive. Parents can still invest up to \$2,500 pretax for those kids, and they may benefit from the Dells' donation, giving \$250 to children 10 and under in zip codes where the median income is less than \$150,000, the Dalio's donation to children in zip codes with the same income restriction in Connecticut, or new philanthropic contributions.

Does the Gift Tax apply to Trump Accounts?

11. The guidance creates a safe harbor for donors to Trump Accounts. Donors generally must file Form 709, U.S. Gift (and Generation-Skipping Transfer) Tax Return, if a gift is not eligible for the annual exclusion under federal laws. Since Trump Account beneficiaries may not access the amounts in their Trump Accounts until age 18, it was unclear whether these were gifts of future interest which would not generally qualify for the gift tax exclusion thereby requiring the filing of Form 709. The revenue procedure explains that if the gift tax reporting safe harbor is met, then contributions are treated as completed gifts to the child instead of gifts of a future interest and such gifts would qualify for the annual gift tax exclusion. Accordingly, no Form 709 would need to be filed. In order to qualify for this safe harbor, the contribution to the Trump Account must meet the following requirements:

- The donor must be an individual;
- The only taxable gifts made during the year are cash contributions to one or more Trump Accounts;
- Total gifts to each beneficiary do not exceed the annual gift tax exclusion, which is \$19,000 in 2026 (indexed for inflation);
- The contributions do not create gift tax or generation-skipping transfer tax liability; and
- The donor is not otherwise required to file a gift tax return for that year aside from the Trump Account contributions.
- If the requirements of the safe harbor are not met, the donor would be required to file a Form 709 for the year in which the gift was made.

What are the distribution rules?

12. Trump Accounts do not permit any distributions until the beneficiary reaches age 18, making them more akin to a “starter IRA” for children, without the requirement of earned income. It can only be used for specific purposes, such as paying tuition, starting a business, unreimbursed medical expenses or making a down payment on a home. At age 18, the account becomes a traditional IRA.

Are there any exceptions?

13. The exceptions to the no-distribution rule include:
- a. **Qualified Rollover Contributions:** The entire balance can be transferred at any time to another Trump Account for the same beneficiary.
 - b. **ABLE Account Rollovers:** If the child is eligible for an ABLE account, the full balance of a Trump Account may be rolled over in the calendar year the child turns 17 and does not count towards the annual contribution limit for ABLE Accounts.

Who will manage Trump Accounts

14. The accounts must be established through the Treasury Department and their designated financial agent and custodian (BNY and Robinhood), but parents and guardians eventually will be able to transfer the accounts to a private bank or brokerage. Treasury is planning to release guidance on rollover capabilities shortly after the launch of the program.

Are Trump Accounts available now?

15. Yes, parents of eligible kids are able to sign up by filling out Form 4547 from the IRS. Contributions began to be accepted on July 4.

How should parents protect themselves from scams?

16. Treasury will only be sending communication by email from no-reply@TrumpAccounts.Treasury.gov and will not contact parents or guardians through phone or text message. If there is a need to reach customer support, Treasury instructs families to utilize the secure in-app contact portal or through online callback request.

Are there additional resources?

17. [Trump Accounts - Jumpstarting the American Dream Form 4547 \(December 2025\)](#)
[Investment Lineup](#)

Important Disclosures:

Trump Accounts offer tax deferred growth on earnings and provide tax free withdrawals when distributions are qualified. Contributions may include after tax family contributions, pre tax employer contributions, and a one time \$1,000 federal contribution for eligible children born between 2025 and 2028. Withdrawals prior to age 59½ may result in a 10% IRS penalty tax, in addition to current income tax, and may be restricted until the child reaches age 18. Annual contribution limits and other restrictions apply. Some Trump Account rules and regulations are still forthcoming from the U.S. Treasury and IRS. Clients should consult with a qualified tax advisor or financial professional before making any decisions.

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