



Trump Accounts

What The Proposed Regulations Confirmed,
What the Rules Still Leave Unanswered, and
What Advisors Should Know

1

Presented by Denise Appleby, The IRA Whisperer



A woman with dark curly hair, wearing a bright pink blazer over a white top, stands in a well-lit, ornate lobby. In the background, there are chandeliers, a large screen displaying a presentation, and other people seated at tables.

Denise Appleby, MJ, CISP, CRC, CRPS, CRSP, APA

Denise is the author of: **The IRA Quick Reference Guide: A Compilation of IRA Quick Reference Guides** and creator of www.irapublications.com

Denise is an author, consultant, trainer, and speaker on the tax laws and operations compliance that govern IRAs and employer sponsored retirement plans.

Denise's consulting practice focuses on protecting retirement savings accounts from costly mistakes.


Denise works with advisors to help ensure that their clients avoid these mistakes, by simplifying the tax code and other governing rules and regulations. When possible, Denise helps to correct mistakes that have already been made and have helped individuals save from a few hundred to millions of dollars by avoiding and/or correcting mistakes.

Denise Appleby
CEO, Appleby Consulting Inc

Disclaimer

 For educational purposes only

 Not tax or legal advice

 Based on statute, Notice 2025-68 and proposed regulations

3



Learning Objectives

- 🍏 Distinguish between Trump accounts under IRC §530A and the §6434 pilot contribution program
- 🍏 Identify eligibility and election requirements for the \$1,000 pilot contribution
- 🍏 Understand how Trump accounts are established, funded, and administered under proposed regulations
- 🍏 Evaluate the different contribution types, including employer and other funding sources
- 🍏 Recognize key areas where additional regulatory guidance is still needed

4



What Is a Trump Account?

- 🍏 A type of traditional individual retirement account (IRA)
 - Has limitations that do not apply to an IRA
- 🍏 Established for the exclusive benefit of an eligible individual
 - Must be established pursuant to Treasury/IRS procedures
- 🍏 Designated at its establishment as a Trump account
- 🍏 The eligible individual is the account beneficiary

5



Big Picture: Why Trump Accounts Matter

The First Retirement-oriented Account That Can Start at Birth

- 🍏 Long-term tax-deferred growth
- 🍏 Birth through age 17: special rules apply
- 🍏 Age 18+: transitions to regular IRA rules
- 🍏 Multi-source funding options

Potential Impact

- 🍏 Decades of compounding before workforce entry
- 🍏 New planning opportunities for families

6





GUIDANCE TIMELINE



Legislative Origin

- 🍏 Created by OBBBA (July 4, 2025)
 - IRC § 530A (accounts)
 - IRC § 6434 (pilot program)

Two separate statutory systems enacted together but governed independently

8



Where We Are in the Guidance Timeline?

Legislation → Notice → Proposed Regulations → Soon: Final Regulations

🍏 Statute established Section 530A design

🍏 Notice 2025-68 provided initial operational guidance

🍏 Proposed regulations confirm that structure

🍏 Final regulations are still pending

We are transitioning from interpretation to implementation

9



What the Regulations Do NOT Address

Significant gaps remain:

- 🍏 Excess contribution correction procedures
- 🍏 Operational account design (post-growth period)
- 🍏 Coordination between multiple contributors (parents, employers, government)

10

Implication:

Advisors must monitor ongoing guidance, as key operational rules remain unresolved





**STRUCTURE:
ACCOUNT
vs.
PILOT
CONTRIBUTION**



Two Separate Legal Systems Govern Trump Accounts

§ 530A (The Account)

- 🍏 Establishes the account
- 🍏 Governs contributions, distributions, and investments

§ 6434 (Pilot Contribution)

- 🍏 One-time \$1,000 contribution
- 🍏 Requires separate election
- 🍏 Has its own eligibility rules

12





ELIGIBILITY AND ACCOUNT CREATION



Establishment Deadline

- 🍏 Must be established before January 1 of the year the child attains age 18
- 🍏 After this date, a Trump Account cannot be **newly** established

14



Eligible Child

- 🍏 Under age 18
- 🍏 Has Social Security number
- 🍏 Election must be made by an authorized individual

Must meet eligibility at time of election

15



Authorized Individual vs. Responsible Party

Role	Authorized Individual	Responsible Party
Primary function	Opens account	Manages account
When relevant	At establishment	Ongoing
Authority source	Statutory election rules	Account agreement + law
Who qualifies	Limited hierarchy (guardian → parent → etc.)	Same person initially
Can they be different?	Initially no	Possibly later (successor allowed)

16



How Are Trump Accounts Actually Opened?

Current Expected Process (Subject to Final Guidance)

- 🍏 Authorized individual completes election process
 - Form 4547 and/or Treasury online portal
- 🍏 Trump Account is established through approved platform
 - Treasury-coordinated process expected initially
- 🍏 Account linked to eligible child
 - SSN and eligibility verification required
- 🍏 Treasury processes pilot contribution election
 - Deposit made only after processing is completed
- 🍏 Responsible party manages account
 - Subject to Trump Account restrictions during growth period

17



Case Study — Competing Elections Within a Family: 1 of 2

Facts

🍏 Child is born in 2026

🍏 **Parent** files an election for the \$1,000 pilot contribution

🍏 **Grandparent**, unaware of the election, opens a Trump Account

No coordination between elections or account establishment

18



Case Study — Competing Elections Within a Family: 2 of 2

What Happens?

- The pilot contribution requires:
 - A valid election
 - A Trump Account to receive the funds
- **Operational Reality:**
 - Both actions are processed by Treasury
 - Treasury must determine how to match a valid election to an existing account
- **Open Question**
 - How does Treasury resolve competing actions?
 - What happens if timing overlaps?

19

Outcome depends on operational rules not yet finalized



**TWO PHASES:
1) GROWTH
PERIOD AND
2) POST-GROWTH
PERIOD**



Growth Period Defined

🍏 Begins at birth and ends on December 31 of the year the child attains age 17

🍏 Example:

- Child born on October 1, 2025
- Attains 18 on October 1, 2043
- The last day of the growth period for the child is December 31, 2042

21



Limitations During Growth Period

- 🍏 No aggregation with traditional IRAs
- 🍏 Invest only in eligible investments
- 🍏 Not allowed to make distributions (narrow exceptions apply)
- 🍏 Individual contributions are not deductible

22



Transition to Post-growth Period

Rules That Remain

- Account continues as a Trump Account
- No aggregation with other IRAs when allocating basis
- No annuity option
- No SEP/SIMPLE contributions

New Rules Permitted

- Growth period restrictions under § 530A no longer apply
- Section 408 traditional IRA rules apply
- May be rolled over to an eligible retirement plan
- May be transferred to an IRA
- Roth conversions permitted
- Wider investment options allowed

23



Automatic Transfer After the Growth Period

Only if permitted under Trump Account agreement

- 🍏 Must be to a non-Trump traditional IRA for the beneficiary
- 🍏 Receiving IRA must be maintained by the **same trustee**
- 🍏 Must meet IRA transfer rules
- 🍏 Transferring account:
 - Does not remain open after the growth period and
 - Does not need to reflect post-growth period rules

24





CONTRIBUTIONS



Start Date

 Contributions cannot be made before July 4, 2026



Five Contribution Types

- 1) Pilot contribution
- 2) Qualified general contributions
- 3) Employer contributions
- 4) Qualified rollover contributions
- 5) Contributions from other sources (such as the account beneficiary, parents, or any other person)

27



Qualified General Contributions

🍏 Governments and nonprofits may only make contributions through the Treasury Department

🍏 Such contributions must be made in equal amounts to the Trump accounts of every account beneficiary in a qualified class

for members of a qualified class of account beneficiaries

Funded by:

🍏 States (or political subdivisions thereof),

🍏 The United States,

🍏 The District of Columbia,

🍏 Indian tribal governments, or

🍏 Section 501(c)(3) tax-exempt organizations)

28



Employer Contributions (Section 128)

- 🍏 Up to \$2,500 per employee per year. **Indexed as of 2028.**
- 🍏 Excluded from employee income
- 🍏 Subject to nondiscrimination rules
- 🍏 Requires written plan
- 🍏 Formal compliance required

29



Employer Contribution — Case Study + Tax Result

- 🍏 Employer contributes \$2,500
- 🍏 Deductible to employer
- 🍏 Not taxable to employee
- 🍏 Counts toward \$5,000 annual limit
- 🍏 Taxable upon distribution

30



Employer Contribution — Multiple Children

Employer may:

- 🍏 Contribute \$2,500 to one child, or
- 🍏 Split across children (for example, \$1,250 each)
- 🍏 Employer contribution may NOT be more than \$2,500 on behalf of an employee

31



Qualified Rollover Contributions

- 🍏 Made to a rollover Trump Account — first funding
- 🍏 Trustee-to-trustee
- 🍏 Entire balance — only one funded Trump account for an individual at any time
- 🍏 Trailing dividends sent to same rollover account
- 🍏 Basis carries over
- 🍏 Transferring trustee provides the receiving trustee with a report — transferring account is a Trump account
- 🍏 Receiving trustee must confirm account type

32



Other Contributions

- 🍏 From other sources: the account beneficiary, parents, or any other person
- 🍏 Capped at \$5,000 per year. **Indexed as of 2028.**
- 🍏 Create basis in the Trump account
- 🍏 Unlike IRAs, contributions do not require compensation

33



Multiple Contributors — What Counts Toward the \$5,000 Limit

Contribution Type	Limit	Counts Toward \$5K?
Pilot Contribution	\$1,000	No
Employer Contribution	\$2,500	Yes
Parent/Other Contributions	\$5,000	Yes
Government Contributions	Variable	No
Rollovers	N/A	No

34






THE PILOT PROGRAM



Pilot Contribution

 \$1,000

 One-time

 Requires election

36



Eligible Child — Pilot Contribution

- 🍏 U.S. citizen
- 🍏 Valid Social Security number
- 🍏 Born within eligibility window (2025–2028)
- 🍏 Must meet eligibility at time of election

37



Pilot Election Timing

Must be made during the eligible child's eligibility window

 Begins at birth

 Ends before January 1 of the year the child turns 18

 Late election may result in missed contribution

38



Pilot Contribution: Operational Flow

- 🍏 Election made by authorized individual
- 🍏 Election identifies eligible child
- 🍏 Treasury processes the election
- 🍏 Contribution deposited into the child's Trump Account

39



What Advisors Are Asking: “How Do You Actually Get the \$1,000?”

- 🍏 Step 1: Election must be made (Form 4547)/www.TrumpAccount.gov
- 🍏 Step 2: Account must exist (or be opened through the process)
- 🍏 Step 3: Election must be processed — not just filed
- 🍏 Step 4: Treasury deposits into the child’s Trump Account

40



Pilot vs. Account

Feature	§ 530A Account	§ 6434 Pilot
Purpose	Ongoing account	One-time funding
Requires election	Yes	Yes (separate)
Eligibility	Broad	Narrow (2025–2028 births)
Contribution limit	\$5K (annual up to 17)	\$1,000 (one-time)
Exists without other	Yes	No

41





INVESTMENTS



Eligible Investments During Growth Period

- 🍏 Index-tracking mutual funds or ETFs
- 🍏 Must track:
 - S&P 500 OR
 - Broad-based U.S. equity index
- 🍏 Fees \leq 0.1% of fund balance
- 🍏 No active management or sector-specific focus

43



Ineligible Investments

- 🍏 Sector-specific indexes
- 🍏 ESG indexes
- 🍏 Leveraged or inverse funds
- 🍏 Money market funds or cash (except temporarily)
- 🍏 Any investment that fails Treasury criteria

44



Trustee Responsibilities

- 🍏 Ongoing monitoring of investment eligibility
- 🍏 Removal of investments that become ineligible
- 🍏 Documentation requirements
- 🍏 Default investment must be an eligible investment

45






DISTRIBUTIONS



During Growth Period

 Distributions are generally prohibited during the growth period

 Exceptions

- Qualified rollover
- Qualified ABLE trustee-to-trustee transfer rollover (age 17 year only)
 - Achieving a Better Life Experience (ABLE) Account
 - Not counted as part of ABLE contribution limit
- Excess contribution corrections
- Death

47



Taxation and Penalties (After Age 18)

- 🍏 Distributions generally taxable as ordinary income
- 🍏 Basis (after-tax contributions) recovered tax-free
- 🍏 Early distributions may be subject to 10% penalty
- 🍏 IRA exceptions may apply

48

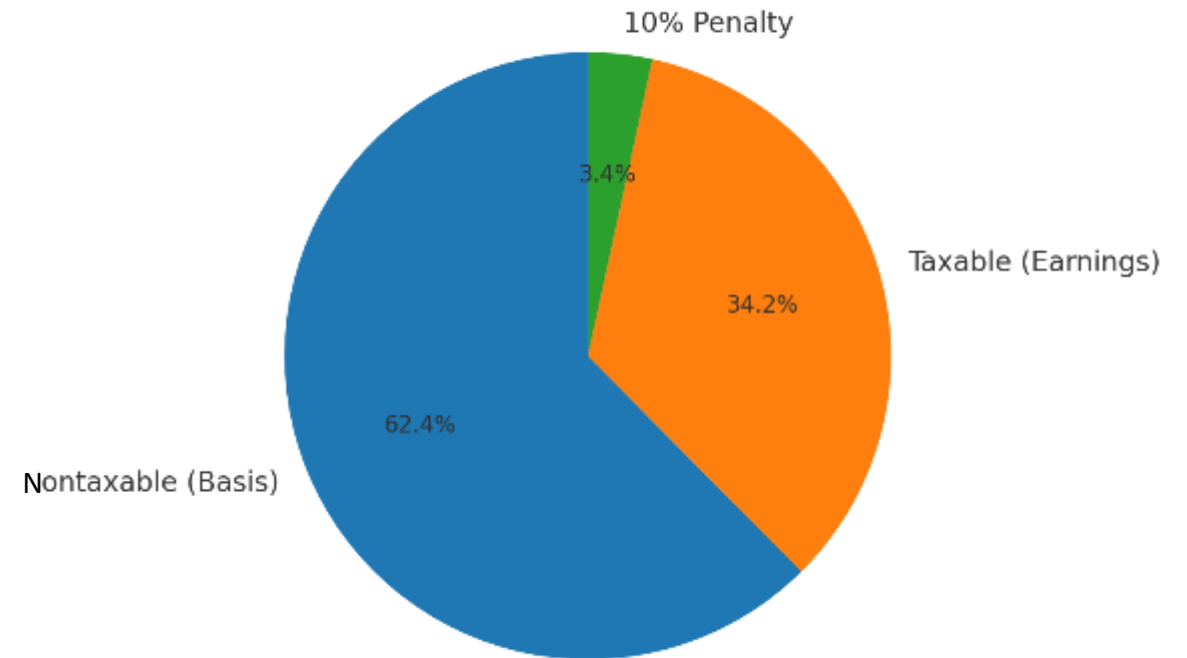


Case Study: Taxation Trump Savings Account

Assumptions

- 🍏 Pilot Contribution: \$1,000
- 🍏 Parent Contributions: \$5,000 annually for 17 years
- 🍏 Growth rate: 5%
- 🍏 Account FMV at age 18: **\$131,494**
- 🍏 Distribution: **\$100,000**

Trump Account Withdrawal (\$100,000 at Age 18)



49

Taxation Trump Savings Account

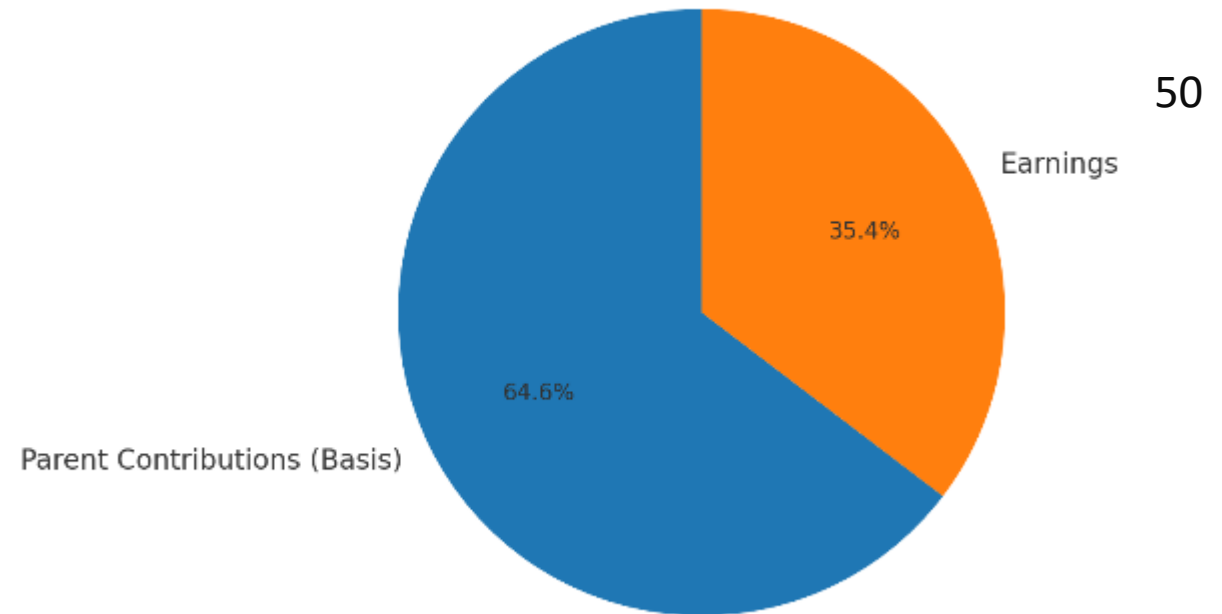
🍏 Result

🍏 Nontaxable/basis: \$64,642

🍏 Taxable: \$35,358

🍏 10% penalty : \$3,536

Trump Account Balance at Age 18 (\$131,494)





Advisor Questions Spotlight:

Will there be tracking of “basis” in the account for after-tax contributions when it comes time for distributions?

Yes. Custodians will need to track basis to prevent double taxation, since contributions are after-tax and only earnings are taxable.

51





COMPARISONS



Trump Account vs. 529 Plan vs. UTMA

Feature	Trump Account	529 Plan	UTMA/UGMA Account
Primary purpose	Long-term retirement savings starting at birth	Education savings with limited retirement saving flexibility	General-purpose savings/investment account for a minor
Who can fund	Parents and others	Parents and others	Parents and others
Earned income required	No	No	No
Use restrictions before age 18	No distributions permitted during growth period, except ABLE rollover in year age 17	Education expenses only; otherwise earnings taxable and potentially penalized	No restrictions on use for the benefit of the minor (subject to fiduciary standard)
Tax treatment of earnings	Tax-deferred growth; taxable when distributed	Tax-deferred growth; taxable when distributed; tax-free if used for qualified education expenses	Earnings taxed annually: subject to kiddie tax rules (unearned income above threshold taxed at parents' rate)
Roth conversion opportunity	Roth conversion permitted at age 18 and after; taxable to the extent of pre-tax amounts	Limited Roth rollover for unused amounts (subject to caps and earned income requirement)	None
Penalty exposure	10% penalty on pre-age 59 ½ distributions of earnings	10% penalty on earnings for non-qualified distributions	No penalty; standard capital gains and income tax rules apply
Long-term planning focus	Maximize growth first, manage taxes later	Education first, retirement secondary	Flexibility first; tax efficiency is limited

53



Planning Opportunities

- 🍏 Coordinate with:
 - 529 plans
 - ABLE accounts
 - Employer and nonprofit funding
- 🍏 Consider Roth conversion planning after age 18
- 🍏 Prepare for transition:
 - Financial education
 - Distribution strategy
 - Future contribution planning

54





KEY TAKEAWAYS



Final Thought

Trump Accounts represent a structural shift in how early savings can be funded and grow

- 🍏 Savings beginning at birth
- 🍏 Multiple funding sources
- 🍏 Integration with employer programs
- 🍏 Long-term tax planning opportunities

Closing Insight: Advisors who focus only on the regulations will miss the larger opportunity

56



TRUMP ACCOUNT SYSTEM

Feature	§ 530A Trump Account	§ 6434 Pilot Contribution
Purpose	Core account structure	One-time government-funded contribution
Function	Holds assets, receives contributions, governs investment and distribution rules	Provides initial funding to an existing Trump Account
Timing	Exists throughout the growth period	Occurs only if eligibility and election requirements are met
Requirement	Must be established under § 530A	Requires separate eligibility and election under § 6434
Dependency	Independent legal structure	Cannot exist without a Trump Account
Governing Law	IRC § 530A	IRC § 6434

57



Questions



58

