

Know Your Benefits

Trump Accounts for Children

Contributions to Trump Accounts may begin on July 4, 2026, providing families with a new way to save for their children's futures. These accounts, created under the One Big Beautiful Bill Act, are designed to provide tax advantages while helping parents, guardians and others build long-term savings for kids under 18. If you're looking for a way to set aside money for your child's future, whether for education, a first home or other important milestones, Trump Accounts may be worth considering.

What Are Trump Accounts?

A Trump Account is a tax-favored savings account for children under the age of 18. It works similarly to a retirement account but has special rules during what's called the "growth period," which lasts until the child reaches adulthood. During this time, contributions grow tax-deferred, and withdrawals are generally not permitted, except in a few limited exceptions. After the growth period ends, the account follows the same rules as a traditional individual retirement account, or IRA, including penalties for early withdrawals unless certain exceptions apply.

Key Features

Contributions to Trump Accounts can begin on July 4, 2026, one year after the law was enacted. Anyone can contribute: parents, grandparents, employers and even the child themselves. The annual contribution limit is \$5,000 per year, and this amount may increase after 2027 to account for inflation. Children born between 2025 and 2028 may also qualify for a \$1,000 federal contribution through a pilot program, which is a great way to jump-start savings. Funds in the account must be invested in low-cost index funds approved by the IRS. These investments must not use leverage and have very low fees.

How to Open an Account

The IRS will release Form 4547 in 2026 to set up a Trump Account and apply for the \$1,000 pilot program. Beginning in

May 2026, the IRS will send instructions to taxpayers who elect to participate. More details will be shared as the IRS finalizes the process.

Employer Contributions

Employers can choose to contribute up to \$2,500 per year to an employee's child's Trump Account. These contributions are tax-free for employees, making them a valuable potential benefit.

While Trump Accounts allow for employer contributions, whether your employer chooses to contribute will vary. Some employers may offer contributions as part of their benefits program, while others may not. Be sure to check with your employer or watch for updates from them to see if they plan to contribute to your Trump Account.

Additional Information

More general information on Trump Accounts is also available at trumpaccounts.gov.