



(UBS)

UPDATE: What to know about Trump Accounts

20 February 2026, 10:56 UTC, written by UBS Editorial Team

In this article, we'll explain the new Trump Accounts, which will be long-term, tax-deferred investment accounts designed to give children a financial head start.

Trump Accounts were created under Section 530A of the Internal Revenue Code by the One Big Beautiful Bill Act of 2025, with initial U.S. Treasury guidance issued in December 2025 and more guidance expected in 2026.

Any child under the age of 18 with a Social Security Number can have a Trump Account opened on their behalf. Additionally, there is a pilot program during which the US Treasury will make a one-time \$1,000 contribution for children who are U.S. citizens born during 2025 through 2028.

Other funding sources include:

1. \$5,000 per year by individuals such as a parent or guardian.
2. Up to \$2,500 of this \$5,000 limit may be funded by the parent's or child's employer.
3. Others, such as non-profits or government entities may make additional contributions, not subject to the \$5,000 limit, to all children within a qualified class.
 - An early example of this is the Michael and Susan Dell Foundation commitment to contribute \$6.25 billion to fund Trump Accounts, with \$250 for 25 million US citizen children age 10 and under living in zip codes with median incomes below \$150,000.

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- Other pledges have been made by other companies and individuals, and politicians are encouraging CEOs of US corporations to similarly commit to fund Trump Accounts.

Trump Accounts can only start taking contributions beginning July 5, 2026.

All Trump Accounts must be established with the initial trustee(s) or custodian selected by the US Treasury, regardless of the contribution source, and individuals can have only one Trump Account at any time.

A new [IRS Form 4547 "Trump Account Election\(s\)"](#) is available for establishing the account and to request the one-time \$1,000 pilot program contribution for eligible children. This form can be filed with the parent, guardian or other authorized individual's income tax return or can be submitted online via [TrumpAccounts.gov](#). The parent, guardian or other authorized individual who establishes the Trump Account is the responsible party for the account.

According to [TrumpAccounts.gov](#) projections, the \$1,000 US Treasury contribution alone could be worth \$6,000 at age 18 and \$15,000 at age 27; adding an annual \$5,000 contribution the account could be worth \$271,000 at age 18 and \$742,000 at age 27 (assuming historical S&P 500 averages). The Trump Account must be invested in unleveraged mutual funds or ETFs that track a qualified index of primarily US equities (i.e., there is virtually no ability to hold cash), and investment fees and expenses cannot exceed 0.1%.

The contributions from individuals are not tax-deductible (i.e., they create basis in the account) while the contributions from others (employers, governments, and tax-exempts) are treated as pretax contributions. Distributions are generally not permitted before the calendar year the beneficiary attains age 18—there is no exception for a hardship distribution. The Trump Account will generally become subject to the normal rules that apply to traditional IRAs at age 18 (e.g., the investment restrictions are removed, and the assets can be converted to a Roth IRA).

After the initial Trump Account is established as discussed above, a Trump Account can be fully transferred to another trustee that offers Trump Accounts, generally a bank or brokerage firm that is eligible to custody IRAs, such accounts must satisfy the extensive reporting and account administration requirements of Trump Accounts. It is likely that many current IRA trustees and custodians will consider whether to offer Trump Accounts after the initial launch with the approved U.S. Treasury custodians in mid-2026, and their analysis of the Treasury's administrative and reporting requirements.

For more information, visit <https://trumpaccounts.gov/>.

(This article updates "What to know about Trump Accounts," published on December 22, 2025, with additional details and resources.)

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