



Kentucky Chamber

What Employers Should Know About “Trump Accounts”

Trump Accounts, also known as Section 530A accounts, were created as part of the One Big Beautiful Bill Act to provide future financial resources for children. These tax-deferred savings accounts are intended to grow over time and can be used starting at age 18 for education, first home purchase, or medical expenses.

How the Program Works

Children born between January 1, 2025, and December 31, 2028, are eligible for a \$1,000 initial contribution from the U.S. Treasury. Funds are invested in an equity index fund and cannot be withdrawn until the child reaches age 18. For assets that are not withdrawn, Trump accounts will be treated like a traditional IRA.

Private contributions are available based on income and eligibility requirements.

Eligibility and Setup

A parent or guardian must open the account through a federal application process and provide required information, including Social Security numbers. Accounts are expected to begin accepting contributions in 2026.

Those who choose to participate can complete IRS Form 4547 or apply online at www.trumpaccounts.gov.

Employer Contribution Opportunity

A key feature of Trump Accounts is the ability for employers to contribute to an employee’s child’s account as part of a benefits offering. This allows employers to:

- Contribute up to \$2,500 per year per child, within a \$5,000 total account limit
- Provide tax-advantaged contributions that are not counted as employee income
- Direct contributions into the child’s account for long-term savings

Why It Matters for Employers

For employers, Trump Accounts represent a new option to support working families and strengthen overall benefits offerings. This type of benefit could:

- Help attract and retain employees
- Expand benefits beyond traditional retirement-related savings options
- Complement existing benefits such as child care or education assistance

Additional guidance is expected, but employers should begin evaluating this opportunity.