

Notice of intent to issue regulations with respect to section 530A Trump accounts

Notice 2025-68

I. PURPOSE

This notice informs taxpayers that the Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS) intend to propose regulations providing guidance with respect to section 70204 of Public Law 119-21, 139 Stat. 72 (July 4, 2025), commonly known as the One, Big, Beautiful Bill Act (OBBBA).

Section 70204 of OBBBA, which applies to taxable years beginning after December 31, 2025, added section 530A and related sections regarding Trump accounts to the Internal Revenue Code (Code).

Section II of this notice provides a general overview of how Trump accounts work.

Section III of this notice addresses certain initial questions related to Trump accounts that the Treasury Department and the IRS intend to address in the forthcoming proposed regulations. The Treasury Department and the IRS expect that the forthcoming proposed regulations will be consistent with the guidance set forth in section III of this notice.¹

Section IV of this notice contains a request for comments regarding Trump accounts. Comments received will be considered in drafting the forthcoming proposed

¹ The intended collection of certain information addressed in this notice will be subject to the Paperwork Reduction Act (PRA), 44 U.S.C. 3507. No collection of information will be required until approved by the Office of Management and Budget (OMB) under the PRA.

regulations; however, proposed regulations regarding the election to open an initial Trump account and the election for the pilot program contribution under section 6434 may be issued prior to the end of the comment period for this notice. To the extent comments in response to this notice regarding these two subjects are not received in time to consider in drafting those proposed regulations, they will be considered in drafting the final regulations.

II. GENERAL OVERVIEW

A Trump account is a type of traditional individual retirement account (IRA) that is established for the exclusive benefit of an eligible individual and that is designated at its establishment as a Trump account. When the Trump account is opened, the eligible individual is the owner of the Trump account and is referred to as the account beneficiary.

A Trump account is subject to certain special rules inapplicable to other individual retirement arrangements under section 408,² most of which apply only during the period that ends before January 1 of the calendar year in which the account beneficiary attains age 18 (growth period). For example, a child born on October 1, 2025, would turn age 18 on October 1, 2043, and therefore the last day of the growth period with respect to the child would be December 31, 2042. The special rules that apply only during the growth period include: (i) funds in a Trump account can be invested only in eligible investments, (ii) a Trump account has a separate contribution limit from other individual retirement arrangements, (iii) a Trump account is generally not allowed to make

² Individual retirement arrangements are individual retirement accounts under section 408(a) or individual retirement annuities under section 408(b). Use of the term “individual retirement arrangements” refers to both individual retirement accounts and individual retirement annuities, while the term “IRAs” refers only to individual retirement accounts under section 408(a).

distributions, (iv) no deduction by an individual is allowed under section 219 for any contribution to a Trump account, and (v) trustees of Trump accounts have similar but different reporting requirements from trustees of other IRAs. After the growth period, most of these special rules cease to apply and the rules under section 408 governing traditional IRAs generally apply, as described in the “Coordination with IRA rules” discussion.

Establishment. A Trump account is established for the exclusive benefit of an eligible individual. An eligible individual is any individual (i) for whom an election is made to establish a Trump account, (ii) who has not attained age 18 before the close of the calendar year in which the election is made, and (iii) for whom a social security number has been issued before the date of the election. The Secretary of the Treasury or his delegate (Secretary) will create or organize the Trump account (initial Trump account) for each eligible individual.

During the growth period, a subsequent Trump account (rollover Trump account) may be established for an individual and must be funded by a trustee-to-trustee transfer of the entire account balance from the individual’s existing Trump account (qualified rollover contribution).

Trump accounts contribution pilot program under section 6434 (pilot program). Upon an election under the pilot program, \$1,000 is paid by the Secretary to the Trump account of an eligible child. An eligible child means a qualifying child (as defined in section 152(c)) who is born after December 31, 2024, and before January 1, 2029, who is a U.S. citizen, and for whom no prior pilot program election has been made. Additionally, the eligible child must have a social security number that is included with

the election. The \$1,000 deposited into the Trump account under the pilot program is excepted from reduction or offset and is subject to a special rule regarding interest under section 6611(a). Individuals making improper elections under the pilot program are subject to penalties under section 6659.

Contributions. During the growth period, there are five types of contributions that can be made to a Trump account:

- (1) a pilot program contribution from the Secretary of \$1,000 for an eligible child,
- (2) qualified general contributions (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) for members of a qualified class of account beneficiaries,
- (3) employer contributions that are not includible in the gross income of the employee under section 128 (section 128 employer contributions),
- (4) qualified rollover contributions, and
- (5) contributions from other sources (such as the account beneficiary, parents, or any other person).

Contributions to a Trump account during the growth period are not includible in income by the account beneficiary when made. Pilot program contributions, qualified general contributions, and section 128 employer contributions do not create basis in a Trump account. Qualified rollover contributions are transfers from a prior Trump account and carry over any basis attributable to the funds being transferred. Contributions from other sources during the growth period create basis in the Trump account.

Unlike contributions to IRAs (which require an IRA owner to have includible compensation), contributions may be made to a Trump account during the growth period even if the account beneficiary does not have includible compensation. Pilot program contributions, qualified general contributions, and qualified rollover contributions are not subject to an annual contribution limit. However, all other contributions (that is, section 128 employer contributions and contributions from other sources) during the growth period are subject to an aggregate annual limit of \$5,000 (subject to cost-of-living adjustments after 2027).

Contributions to Trump accounts cannot be made before July 4, 2026.

Eligible investments. During the growth period, funds in a Trump account may be invested only in eligible investments. An eligible investment, generally, is a mutual fund or exchange traded fund (ETF) that tracks an index of primarily U.S. companies, such as the Standard and Poor's 500 stock market index, does not use leverage, does not have annual fees and expenses of more than 0.1 percent of the balance of the investment in the fund, and meets other criteria that the Secretary determines appropriate.

Distributions. During the growth period, no distributions may be made from a Trump account, except for qualified rollover contributions, qualified ABLE rollover contributions, distributions of excess contributions, and distributions upon death of the account beneficiary. After the growth period (that is, starting January 1st of the calendar year in which the account beneficiary attains age 18), distributions from a Trump account generally are subject to the rules that apply to distributions from a traditional IRA, including that a distribution may be subject to the section 72(t) 10% additional tax

on early distributions if an exception does not apply with respect to the account beneficiary (such as for distributions for qualified higher education expenses or first home purchases or distributions made after age 59½).

Reporting. During the growth period, Trump accounts are not subject to the IRA reporting requirements of section 408(i). Instead, Trump accounts are subject to reporting requirements under section 530A(i). The reporting requirements under section 530A(i) include language similar to the reporting requirements for IRAs under section 408(i). However, section 530A(i) includes additional reporting requirements that do not apply to other types of IRAs (such as information regarding the source of certain contributions, the investment in the contract (basis), and a report to the Secretary by a trustee that accepts a qualified rollover contribution no later than 30 days after such contribution is made). A person that fails to provide a required report under section 530A(i) is subject to a penalty under section 6693(a) unless the failure is due to reasonable cause.

After the growth period, the reporting requirements of section 408(i) apply to the Trump account. For any given calendar year, a Trump account is never subject to reporting under both sections 408(i) and 530A(i).

Coordination with IRA rules. After the growth period, nearly all of the special rules for Trump accounts (including those relating to contributions, investments, distributions, and trustee reporting) cease to apply. Accordingly, after the growth period, Trump accounts generally will be subject to the section 408 rules that apply to other traditional IRAs (such as the rules related to contributions, distributions, required minimum distributions, rollovers, Roth conversions, ordinary income taxation, and reporting).

Nevertheless, a Trump account continues to be a Trump account after the growth period. An account initially established as a Trump account can never receive contributions under a section 408(k) SEP arrangement or section 408(p) SIMPLE IRA plan. Similarly, an account initially established as a Trump account can never be aggregated with other individual retirement arrangements when allocating basis related to a distribution from either the Trump account or another individual retirement arrangement.

Qualified general contributions. A qualified general contribution is made by the Secretary and funded by a general funding contribution from a state (or political subdivision thereof), the United States, the District of Columbia, an Indian tribal government, or a section 501(c)(3) tax-exempt organization. It is distributed to the Trump accounts of account beneficiaries who are members of a qualified class.

Section 128 employer contributions. Section 128 employer contributions paid to a Trump account of an employee or a dependent of an employee are not includible in the employee's income. Such contributions are limited to \$2,500, subject to cost-of-living adjustments after 2027. Section 128 employer contributions must be made pursuant to a section 128(c) Trump account contribution program. Requirements similar to requirements that apply to a section 129 dependent care assistance program (regarding discrimination, eligibility, notification, statements, and benefits) apply to a Trump account contribution program.

III. DISCUSSION OF CERTAIN SPECIFIC ISSUES³

The Treasury Department and the IRS intend to propose regulations consistent with the questions and answers in this section III.

A. ESTABLISHMENT

Section 530A(a) provides that, except as provided under section 530A or under regulations or guidance by the Secretary, a Trump account is treated in the same manner as an IRA under section 408(a).

Section 530A(b)(1)(A)(i) provides that a Trump account must initially be created or organized by the Secretary for the exclusive benefit of an eligible individual or such eligible individual's beneficiaries. Pursuant to section 530A(b)(1)(A)(ii), a rollover Trump account is a Trump account that is created or organized in the United States for the exclusive benefit of an individual who has not attained age 18 before the end of the calendar year and is funded by a qualified rollover contribution.

Section 530A(b)(1)(B) provides that an account must be designated as a Trump account at the time of its establishment in such manner as the Secretary shall prescribe.

Section 530A(b)(1)(C) provides that the written governing instrument creating a Trump account must meet certain requirements regarding contributions, distributions, and eligible investments.

Section 530A(b)(2) provides that an "eligible individual" means any individual for whom an election is made to establish a Trump account, who has not attained age 18

³ This notice does not address issues that are not under the Code, such as state law issues or other non-tax laws, including, for example, issues related to state laws on age of majority, privacy issues (such as under the Gramm-Leach-Bliley Act, Pub. L. 106-102, 113 Stat. 1338 (1999)), the USA PATRIOT Act, Pub. L. 107-56, 115 Stat. 272 (2001), or Title I of the Employee Retirement Income Security Act of 1974, Pub. L. 93-406, 88 Stat. 829, as amended (ERISA). The Departments of Labor and Treasury anticipate issuing guidance on how to structure section 128 employer contributions to Trump accounts to ensure that they are not subject to the ERISA coverage framework.

before the close of the calendar year in which the election is made, and for whom a social security number (within the meaning of section 24(h)(7)) has been issued before the election is made.

Section 530A(b)(2)(C) provides that an election for an eligible individual may be made by the Secretary if the Secretary determines (based on information available to the Secretary from tax returns or otherwise) that such individual has met the other requirements to be an eligible individual and no prior election has been made for such individual, or by a person other than the Secretary (at such time and in such manner as the Secretary may prescribe) for the establishment of a Trump account if no prior election has been made for such individual by the Secretary.

Section 530A(e) provides that a “qualified rollover contribution” is a trustee-to-trustee transfer from a Trump account of an account beneficiary to another Trump account for that account beneficiary, but only if the entire balance of the transferring Trump account is transferred.

Section 530A(g) provides that, for an initial Trump account, the Secretary shall take into account certain criteria in selecting the trustee.

Question A-1: How is an initial Trump account created with respect to an eligible individual?

Answer A-1: An authorized individual may elect to have a Trump account established for the benefit of an eligible individual by making the election on IRS Form 4547, *Trump Account Election(s)*, or through an online tool or application on trumpaccounts.gov. A Trump account may be established at the same time as an election is made to receive a pilot program contribution under section 6434 or at any

other time before January 1 of the calendar year in which the beneficiary attains the age of 18. By making the election, the authorized individual is representing, under penalties of perjury, that he or she is authorized to elect to have the Trump account opened for the benefit of the eligible individual.

If an election to open the initial Trump account is being made at the same time as an election to receive a pilot program contribution under section 6434, then the individual authorized to make the election under Q&A B-1 of this notice under section 6434 is also the authorized individual for opening the initial Trump account.

If an election to open an initial Trump account is not being made at the same time as the election to receive a pilot program contribution, then the authorized individual for opening the initial Trump account must be a legal guardian, parent, adult sibling, or grandparent of the eligible individual, in that order of priority. If multiple individuals have the same highest level of priority and no prior election has been made for the child, then any individual with that level of priority may make the election. For example, if there is no legal guardian, either parent of an eligible individual may make this election. This ordering rule of who has the authority to request the creation of an account was developed based on the ordering rule of Treas. Reg. § 1.529A-2(c)(1)(C), and comments are requested on whether the ordering rule should be based on a different method.

Once the IRS processes an election to open an initial Trump account, the IRS will process no further elections to open an initial Trump account for the same eligible individual.

For calendar year 2026, this election may be made on IRS Form 4547 (once it is released) at any time, including at the same time that the 2025 income tax return is filed or through the online tool or application. The online tool or application for making the elections is expected to be available on trumpaccounts.gov in the middle of 2026.

After the election is made (and after the Treasury Department coordinates with the trustee of the initial Trump account), the Treasury Department or its agent will send information to the individual who made the election to activate the account through an authentication process and complete the opening of the initial Trump account. The Treasury Department or its agent will send this information starting in May 2026. For more information about how to activate the initial Trump account, go to trumpaccounts.gov.

The individual who made the election for the eligible individual will be the responsible party for the initial Trump account of that eligible individual. To the extent provided under applicable law and the account agreement, the responsible party generally will have the authority to select among eligible investments (if applicable), request a transfer for a qualified rollover contribution, request a transfer for a qualified ABLE rollover contribution, or select a successor responsible party for the account.

Comments are requested as to whether any guidance will be needed for selecting a new responsible party (for example, if the custody or guardianship of an eligible individual changes or in other appropriate circumstances).

Q. A-2: What type of individual retirement arrangement is a Trump account?

A. A-2: A Trump account is a traditional IRA under section 408(a). A Trump account cannot be an individual retirement annuity under section 408(b), SIMPLE IRA under section 408(p), or Roth IRA under section 408A.

An IRA includes a custodial account that is treated as a trust pursuant to section 408(h). Accordingly, a Trump account may either be a trust under section 408(a) or a custodial account under section 408(h).

Q. A-3: What type of entity can be a trustee of a Trump account?

A. A-3: The trustee of a Trump account must be a bank (as defined in section 408(n)) or other person who is approved by the IRS to be a nonbank trustee of a Trump account. Any person approved by the IRS as of December 31, 2025, to be a nonbank trustee of an IRA under section 408(a) is automatically approved to be a nonbank trustee of a Trump account.

Pursuant to Treas. Reg. § 1.408-2(e)(6)(iv), an approved nonbank trustee must notify the IRS, in writing, of any change that affects the continuing accuracy of any representation made in the application required by that paragraph, whether the change occurs before or after the applicant receives a notice of approval. Becoming a Trump account trustee constitutes such a change. Such notification should be sent to Internal Revenue Service, Attn: SE:T:EP:RA:T1, Room 6213, 1111 Constitution Ave, NW, Washington, DC 20224. The Treasury Department and the IRS are considering changes to the requirements for nonbank trustees and request comments.

Other persons may request approval to be a nonbank trustee in accordance with the procedures set forth in Treas. Reg. § 1.408-2(e) (relating to IRA nonbank trustees)

and section 3.07 of Rev. Proc. 2025-4, 2025-1 IRB 158 (or successor revenue procedures).

Pursuant to section 530A(g), the Treasury Department will select one or more financial institutions as a financial agent to serve as trustee of the initial Trump accounts. The trustees of rollover Trump accounts are not subject to the selection process of section 530A(g).

Q. A-4: When may a rollover Trump account be established?

A. A-4: A rollover Trump account for an account beneficiary may be established only after the initial Trump account is created by the Treasury Department or its agent for the account beneficiary and only during the growth period of the account beneficiary.

Q. A-5: How is a rollover Trump account initially funded?

A. A-5: A rollover Trump account must first be funded by a qualified rollover contribution before receiving any other contribution. In addition, a qualified rollover contribution must be a transfer of the entire balance of a Trump account. As a result, there can only be one funded Trump account for an individual at any time. Thus, when a rollover Trump account is established, a qualified rollover contribution must be initiated to fund the account.

A receiving trustee will be required to have procedures in place to confirm that the first contribution to the rollover Trump account is a qualified rollover contribution. See Q&A F-4 of this notice regarding a requirement that the transferring trustee provide a report to the receiving trustee that the transferring account is a Trump account.

To the extent that a trailing dividend attributable to the transferring Trump account is received by the transferring trustee after a qualified rollover contribution has occurred,

the transferring trustee must promptly transfer the trailing dividend to the rollover Trump account that received the qualified rollover contribution. Such transfer is treated as part of the original qualified rollover contribution.

Q. A-6: What happens to the transferring Trump account after a qualified rollover contribution to a rollover Trump account?

A. A-6: After making a qualified rollover contribution, no new contributions may be accepted by the transferring Trump account and the transferring Trump account must be closed within a reasonable period of time.

Q. A-7: After the growth period, may a rollover Trump account be established?

A. A-7: No. An individual must not have attained age 18 before the end of the calendar year in which a rollover Trump account for the individual is established. Accordingly, after the growth period, a new rollover Trump account cannot be established, and therefore no qualified rollover contributions can be made to a new rollover Trump account.

After the growth period, a Trump account may be rolled over to an individual retirement arrangement or other eligible retirement plan (described in section 402(c)(8)(B)(iii) through (vi)) for the benefit of the account beneficiary pursuant to section 408(d)(3)⁴ or transferred in a trustee-to-trustee transfer to an individual retirement arrangement (including a transfer to another individual retirement arrangement maintained by the same trustee) pursuant to Rev. Rul. 78-406, 1978-2 CB 157.

⁴ Pursuant to section 408(d)(3)(A)(ii), if there is basis in the Trump account, the Trump account cannot be rolled over, or transferred in a trustee-to-trustee transfer, to an eligible retirement plan described in section 402(c)(8)(B)(iii) through (vi), but may still be rolled over, or transferred in a trustee-to-trustee transfer, to an individual retirement arrangement.

Q. A-8: How is an account designated as a Trump account?

A. A-8: The written governing instrument establishing a Trump account must clearly designate the IRA as a Trump account at the time of establishment. Accordingly, an existing account (such as an IRA) cannot be amended to become a Trump account. In addition, a Trump account must be titled to clearly identify that the account is a Trump account for the benefit of the account beneficiary.

Q. A-9: What are the basic requirements for a written governing instrument for a Trump account?

A. A-9: A Trump account is an IRA, and therefore the written governing instrument must generally contain the requirements of section 408(a)(1) through (6), which apply to other IRAs, as well as the requirements of section 530A(b)(1)(C)(i) through (iii), which apply to Trump accounts.

The written governing instrument generally should reflect both the rules that apply during the growth period and the rules that apply after the growth period. For example, during the growth period, the limit on contributions is governed by section 530A(c)(2), while after the end of the growth period, the limit on contributions is governed by section 408(a)(1). In contrast, certain other requirements of section 408 apply both during and after the growth period, such as the requirement of section 408(a)(1) that contributions (other than rollovers) must be made in cash, and the other requirements of section 408(a)(2) through (5). Similarly, some restrictions regarding Trump accounts will continue to apply even after the growth period, such as the prohibition against a Trump account receiving contributions under a SEP arrangement under section 408(k) or a SIMPLE IRA plan under section 408(p).

The Treasury Department and IRS will release sample language in future guidance regarding Trump accounts.

Q. A-10: May the written governing instrument of a Trump account provide that, immediately after the growth period of the account beneficiary, all of the assets of the account will be transferred automatically to a traditional IRA for the account beneficiary that is not a Trump account?

A. A-10: Yes. The written governing instrument of the Trump account may provide that, immediately after the growth period, all of the assets of the Trump account will be transferred to a traditional IRA for the account beneficiary that is not a Trump account and that is maintained by the same trustee as that of the transferring Trump account. The provision would be a contractual term agreed to by, or on behalf of, the trustee and the account beneficiary, and the transfer must be done in accordance with any applicable requirements of the Code and only if permitted by other applicable law. If the written governing instrument for a Trump account contains such a provision, then the written governing instrument does not need to reflect rules that would apply after the growth period because the Trump account would not remain open after the growth period.

B. PILOT PROGRAM

Section 6434(a) and (d) provide that, if an election is made (at such time and manner as the Secretary provides) by an individual for an eligible child of the individual, the eligible child will be treated as making a payment against the income tax imposed (for the taxable year for which the election was made) of \$1,000. Section 6434(b)

provides that the amount of such payment will be paid by the Secretary to the Trump account of the eligible child.

Section 6434(c) provides that an “eligible child” means a qualifying child (as defined in section 152(c)) born after December 31, 2024, and before January 1, 2029, for whom a prior election for a pilot program contribution has not been made, and who is a U.S. citizen.

Section 6434(e) provides that the election must include the eligible child’s social security number, which must have been issued to the child before the election.

Q. B-1: How is an election to receive a pilot program contribution with respect to an eligible child made?

A. B-1: The election to receive a pilot program contribution with respect to an eligible child must be made by an individual who anticipates that the eligible child will be his or her qualifying child (as defined in section 152(c)) for purposes of section 6434 for the tax year in which the election is made. If an individual makes an election in anticipation that the eligible child will be the individual’s qualifying child under section 152(c) and complies with all other rules promulgated by the Secretary for section 6434 elections, the election will not be rendered ineffective solely on the basis that it is later determined that the eligible child does not meet the definition of a qualifying child of the individual for the tax year in which the election is made. This election is made on an IRS Form 4547 or through an online tool or application on trumpaccounts.gov.

For calendar year 2026, this election may be made on IRS Form 4547 (once it is released) at any time, including at the same time that the 2025 income tax return is filed

or through the online tool or application. The online tool or application is expected to be available in the middle of 2026.

If the election for the pilot program contribution with respect to an eligible child is made at the same time as the election to open an initial Trump account of the eligible child, then the pilot program contribution will be made to the initial Trump account.

Q. B-2: When will a pilot program contribution be made with respect to an eligible child?

A. B-2: A pilot program contribution will be deposited into the Trump account of an eligible child no earlier than July 4, 2026. The Treasury Department will make the pilot program contribution as soon as practicable after the election is made and the Treasury Department can confirm with the initial Trump account trustee that the account has been opened.

C. CONTRIBUTIONS

Section 530A(b)(1)(C)(i) provides that the written governing instrument of a Trump account must meet the requirements that no contribution will be accepted (I) before July 4, 2026, or (II) if the contribution would cause aggregate contributions (other than exempt contributions, which consist of qualified rollover contributions, pilot program contributions, or qualified general contributions) to exceed the limit under section 530A(c)(2)(A) for contributions during the growth period. The limit for aggregate contributions (other than exempt contributions) is \$5,000 per year for 2026 and 2027, and thereafter is subject to cost-of-living adjustments.

Section 530A(c)(3) provides that section 219(f)(3) (regarding the time at which contributions are deemed made) will not apply to any contribution to a Trump account for any taxable year ending during the growth period.

Section 530A(h)(3) provides that, during the growth period, a contribution to a Trump account is not taken into account in applying the contribution limits to individual retirement arrangements that are not Trump accounts.

Q. C-1: Is a trustee of a Trump account required to have procedures to prevent a contribution from exceeding the annual limit under section 530A(c)(2)(A) during the growth period?

A. C-1: Yes. A trustee must have procedures in place to monitor and enforce the prohibition of section 530A(b)(1)(C)(i)(II) (that is, to prevent a contribution from being accepted by a Trump account if the contribution would cause aggregate contributions (other than exempt contributions) to exceed the limit under section 530A(c)(2)(A)). It is not sufficient merely for a written governing instrument of a Trump account to state the prohibition of section 530A(b)(1)(C)(i)(II); the trustee must comply with the prohibition. The procedures may, but are not required to, be in the written governing instrument.

The Treasury Department and the IRS are considering permitting trustees to have a procedure that would permit the trustee to receive a contribution into a general account of the trustee and then transfer to the Trump account the portion of the contribution that does not cause the aggregate contributions to exceed the section 530A(c)(2)(A) limit. Under such procedure, any amount that exceeds the section 530A(c)(2)(A) limit would be returned by the trustee to the contributor rather than transferred to the Trump account. Because only the permitted amount would

actually be transferred to the Trump account, there would not be a violation of section 530A(b)(1)(C)(i)(II) and the return of the excess amount would not be subject to the rules regarding distributions of excess contributions in section 530A(d)(5).

A trustee could also have procedures in place to not accept any part of a contribution if accepting the contribution would cause aggregate contributions to exceed the section 530A(c)(2)(A) limit.

Q. C-2: Is a trustee of a Trump account required to collect and report information regarding the source of contributions?

A. C-2: Yes. A trustee is required to collect and report the amount and source of contributions. See section 530A(i)(1)(A) and Q&A F-2 of this notice regarding this reporting requirement. In order to comply with this reporting requirement, a trustee must collect information on whether a contribution is one of the following types of contributions: (1) a pilot program contribution or a qualified general contribution, (2) a qualified rollover contribution, (3) a section 128 employer contribution, or (4) any other type of contribution.

A pilot program contribution and a qualified general contribution will be received by the trustee of a Trump account from the Treasury Department, and the Treasury Department will indicate to the trustee what type of contribution it is, and for a general funding contribution, will provide information regarding the contributor of the general funding contribution, if requested by the contributor. See Q&A F-2 of this notice. A qualified rollover contribution will be identified as such by the transferring trustee to the receiving trustee. As described in Q&A I-2 of this notice, an employer that makes a section 128 employer contribution will be required to affirmatively indicate to the trustee

that the contribution is a section 128 employer contribution. The trustee is not required to collect source information for any contribution that is not a pilot program contribution, qualified general contribution, qualified rollover contribution, or section 128 employer contribution.

Q. C-3: May contributions be made to a Trump account and to an individual retirement arrangement that is not a Trump account for the same individual during the growth period?

A. C-3: Yes, contributions may be made to a Trump account and to an individual retirement arrangement that is not a Trump account for the same individual during the growth period. During the growth period, contributions that are not exempt contributions may be made to a Trump account up to the section 530A(c)(2) limit and without regard to whether the account beneficiary has compensation. Contributions also may be made to an individual retirement arrangement that is not a Trump account for the benefit of the account beneficiary in accordance with section 408 if the account beneficiary has includible compensation under section 219(b)(1).

Q. C-4: May a contribution to a Trump account be treated as made in the preceding taxable year if the contribution is made by the due date of the return for such preceding taxable year?

A. C-4: No. For any taxable year ending during the growth period, a contribution to a Trump account is counted for the year in which the contribution is made (so that a contribution to a Trump account made on January 31, 2027, is for 2027 and cannot be applied to 2026).

D. ELIGIBLE INVESTMENTS

Section 530A(b)(1)(C)(iii) provides that, during the growth period, no part of the Trump account funds may be invested in any asset other than an eligible investment.

Section 530A(b)(3)(A) provides that an “eligible investment” means any mutual fund or ETF which (i) tracks the returns of a qualified index, (ii) does not use leverage, (iii) does not have annual fees and expenses of more than 0.1 percent of the balance of the investment in the fund, and (iv) meets such other criteria as the Secretary determines appropriate.

Section 530A(b)(3)(B) provides that a “qualified index” means the Standard and Poor’s 500 stock market index, or any other index which is comprised of equity investments in primarily U.S. companies and for which regulated futures contracts (as defined in section 1256(g)(1)) are traded on a qualified board or exchange (as defined in section 1256(g)(7)). Section 530A(b)(3)(B) also provides that the term qualified index does not include any industry or sector-specific index but may include an index based on market capitalization.

Q. D-1: What do the terms “mutual fund” and “exchange traded fund” (or ETF) mean for purposes of section 530A(b)(3)?

A. D-1: For purposes of section 530A(b)(3), a mutual fund or ETF must be a domestic corporation (including a regulated investment company as defined in section 851(a)) for Federal income tax purposes that meets the additional requirements to be a mutual fund or ETF in the following paragraphs.

For purposes of section 530A(b)(3), a mutual fund must be registered under the Investment Company Act of 1940, Pub. L. 76-768, 54 Stat. 789 (the 1940 Act), as

amended, as an open-end company (as defined in 15 U.S.C. § 80a-5(a)(1)) that is not an ETF (as defined below).

For purposes of section 530A(b)(3), an ETF must be registered under the 1940 Act and must be either an “exchange-traded fund” as defined for purposes of the 1940 Act in 17 C.F.R. § 270.6c-11(a)(1) or an entity that operates in substantially the same manner as such a fund but that is not described in 17 C.F.R. § 270.6c-11(a)(1) because the entity is not a registered open-end management company (for example, a unit investment trust operating under an exemptive order granted by the Securities and Exchange Commission).

Comments are requested regarding the definitions of mutual fund and ETF.

Q. D-2: What does it mean to track the returns of an index for purposes of section 530A(b)(3)(A)(i)?

A. D-2: A mutual fund or ETF tracks the returns of an index if its investment objective is to provide investment results that, before fees and expenses, replicate the performance of the index, and the fund holds investments that are reasonably expected to accomplish that objective. For example, a fund may track the returns of an equity index by holding shares of all of the stocks that are constituents of the index in proportion to the stocks’ weights in the index. A fund does not fail to track the returns of an index merely because the returns from the fund are affected by fees, expenses, trading costs, variations arising from buying and selling securities when the relevant index changes, and similar variations incidental to operating a fund that seeks to replicate the performance of an index.

A mutual fund or ETF is not considered to track the returns of an index if its investment objective is to provide investment results that are inverse to the performance of the index (or inverse to a positive multiple of the index). A fund also is not considered to track the returns of the index if the fund uses any strategy to outperform or perform differently from the index. For example, a fund that increases or decreases its exposure to some index constituents based on the judgment of advisors does not track the returns of the index. Similarly, a fund that, in some or all market conditions, holds assets intended to decrease or increase the volatility, risk, or current income associated with the index does not track the returns of the index.

Q. D-3: What is considered “leverage” for purposes of section 530A(b)(3)(A)(ii)?

A. D-3: A mutual fund or ETF is considered to use leverage if, as a result of the fund’s use of borrowings, derivatives, or other strategies that are economically equivalent to borrowings, a percentage change in the level of an index tends to cause a materially greater percentage change in the value of the fund’s portfolio. For example, a fund is considered to use leverage if it has a purpose to provide investment results that correspond to the performance of an index multiplied by a number greater than one (regardless of whether the fund uses borrowings, derivatives, or another economic equivalent to provide such results).

A fund is not considered to use leverage merely because the fund borrows for other purposes, such as to provide liquidity for redemptions or for purchases of portfolio securities in connection with investment flows into the fund. Similarly, a fund is not considered to use leverage merely because it enters into derivatives as part of its strategy to replicate the performance of an index.

Q. D-4: What does it mean to have annual fees and expenses of no more than 0.1 percent of the balance of the investment in a mutual fund or ETF for purposes of section 530A(b)(3)(A)(iii)?

A. D-4: A mutual fund or ETF will meet the requirements of section 530A(b)(3)(A)(iii) if the sum of its annual fees and its annual expenses (as described below) is less than 0.1% of the value of the fund's net assets.

For purposes of section 530A(b)(3)(A)(iii), a fund's annual fees include any annual or recurring fees charged by the fund directly to the investor. These fees are disclosed in a fund's prospectus, often under the heading "Shareholder Fees" or "Unitholder Fees" in a fee table. Comments are requested on the appropriate treatment of fees charged for transactions, such as sales charges or loads or redemption fees.

For purposes of section 530A(b)(3)(A)(iii), a fund's annual expenses will be the amount set forth in its prospectus, often in the fee table, as total annual operating expenses. These are generally expenses that an investor bears each year indirectly in the form of reduced income from the investment in the fund or a reduction in value of the investor's investment in the fund. The total is generally stated as a percentage of the value of the investor's investment, or as a percentage of the value of the fund's net assets. The reference to expenses in section 530A(b)(3)(A)(iii) is understood to refer to these commonly cited metrics, even though they may omit certain costs, such as trading costs. If a fund's prospectus lists total operating expenses reduced by fee waivers or expense reimbursements, the reduced amount applies for purposes of section 530A(b)(3)(A)(iii).

Annual fees and annual expenses would not include any amount that is paid to a broker or intermediary and that is not specified or imposed by or on behalf of the fund, such as a broker's sales commission. Comments are requested regarding the determination of whether a mutual fund or ETF meets the 0.1 percent threshold.

Q. D-5: How is the determination that an index is comprised of equity investments in primarily U.S. companies made for purposes of section 530A(b)(3)(B)(ii)(I)?

A. D-5: An index is considered to be comprised of equity investments if the index is comprised entirely of stocks and similar ownership interests in the form of partnership or membership interests. An index is not comprised of equity investments if it includes debt instruments, derivatives, or any other asset that is not an ownership interest in a company.

A company is a U.S. company if it is domestic under section 7701(a)(4). Under a safe-harbor rule, an index will be treated as comprised of "primarily" U.S. companies for purposes of section 530A(b)(3)(B)(ii)(I) if U.S. companies represent at least 90 percent of the index based on their weighting in the index.⁵ Comments are requested regarding the 90 percent threshold.

Q. D-6: What is an industry-specific index or a sector-specific index for purposes of section 530A(b)(3)(B)?

A. D-6: An index is industry-specific or sector-specific if the inclusion of a company depends on the kind of business or industry in which the company is engaged.

⁵ Many indexes that are focused on U.S. equities include some issuers that are not domestic for Federal income tax purposes because they are domiciled outside the United States. The Standard and Poor's 500 stock market index, for example, includes several companies that are not U.S. companies.

For example, an index that includes companies operating in only one industry, such as the hotel industry or the airline industry, or sector, such as the travel sector, healthcare sector, or technology sector, is an industry-specific or sector-specific index. So-called environmental, social, and governance indexes are also sector-specific indexes.

The fact that an index is based on market capitalization does not make the index an industry-specific or sector-specific index. An index is based on market capitalization if the index is limited to companies with market capitalizations within a specified range.

Q. D-7: Is a trustee of a Trump account required to have procedures to prevent any part of the account funds from being invested in any asset other than an eligible investment during the growth period?

A. D-7: Yes. A trustee must have procedures in place to monitor and enforce the prohibition of section 530A(b)(1)(C)(iii) (that is, to prevent any part of the account funds from being invested in any asset other than an eligible investment during the growth period). It is not sufficient merely for a written governing instrument of a Trump account to state the prohibition of section 530A(b)(1)(C)(iii); the trustee must comply with the prohibition. The procedures may, but are not required to, be in the written governing instrument.

Such trustee procedures must include at least the following: (1) during the growth period, the trustee must offer only eligible investments as investment options for a Trump account, and (2) during the growth period, the trustee must select a default eligible investment and must promptly invest any uninvested funds in the default eligible investment, unless directed by or on behalf of the account beneficiary to invest the funds in a different eligible investment.

But see Q&As D-8 and D-9 of this notice for limited situations in which funds need not be invested in eligible investments. Comments are requested to identify other situations in which it would not be inappropriate for funds to remain uninvested for a de minimis amount of time.

Q. D-8: During the growth period, may funds in a Trump account be invested in a money market fund or held in cash?

A. D-8: No, with limited exceptions for cash. Money market funds and cash are not eligible investments. However, during the growth period, the trustee's procedures may permit an amount received as a contribution, a dividend or other distribution from an eligible investment, or an amount received as a result of a disposition (such as sale) of an eligible investment, to be held in cash for the time reasonably necessary to complete the investment of the amount in an eligible investment.

Q. D-9: During the growth period, what happens if an eligible investment becomes ineligible due to a change with respect to the fund?

A. D-9: During the growth period, the trustee's procedures must require reasonable ongoing monitoring by the trustee regarding whether a fund held by a Trump account continues to be an eligible investment. For example, a fund may cease to be an eligible investment if the fund's annual fees and expenses increase or an index tracked by the fund ceases to be a qualified index. The Treasury Department and the IRS are considering safe harbor procedures regarding the reasonable ongoing evaluation procedure (including the frequency of the evaluations, among other aspects), and request comments regarding such safe harbor procedures.

In the event that a fund held by a Trump account ceases to be an eligible investment during the growth period, the Trump account will no longer be permitted to be invested in such fund. Accordingly, the Treasury Department and the IRS are considering providing in future guidance that the trustee's procedures must require the trustee of the Trump account to sell the fund and invest the proceeds in another eligible investment. Comments are requested on this issue of handling ineligible investments.

Q. D-10: May account funds be invested among more than one eligible investment?

A. D-10: Yes. Section 530A does not require that all funds in a Trump account be invested in a single eligible investment. Trustees may permit funds in a Trump account to be invested in multiple eligible investments.

E. DISTRIBUTIONS

Section 530A(b)(1)(C)(ii) provides that the written governing instrument of a Trump account must meet the section 530A(d)(1) requirement that no distribution will be allowed during the growth period, except for a distribution that is a qualified rollover contribution or qualified ABLE rollover contribution, a distribution of excess contributions, or a distribution upon the death of the account beneficiary.

Section 530A(d)(4)(B) provides that a "qualified ABLE rollover contribution" is a trustee-to-trustee transfer of the entire balance of a Trump account, made during the calendar year in which an account beneficiary attains age 17 to an ABLE account of that account beneficiary.

Section 530A(d)(6) provides that if the account beneficiary dies during the growth period, the account shall cease to be a Trump account as of the date of death, and the

fair market value of the account (reduced by basis) shall be includible in the gross income of the person who acquires the account beneficiary's interest in the account (or, if that person is the account beneficiary's estate, then the account beneficiary).

Section 529A(b)(2)(B) was amended by section 70204(a)(2)(A) of OBBBA to exclude qualified ABLE rollover contributions from the annual contribution limits for an ABLE account.

Q. E-1: Is a trustee of a Trump account required to have procedures to prevent distributions during the growth period other than certain permitted distributions?

A. E-1: Yes. A trustee must have procedures in place to monitor and enforce the prohibition of section 530A(b)(1)(C)(ii) of the Code that prohibits distributions during the growth period other than permitted distributions, which are distributions that are qualified rollover contributions or qualified ABLE rollover contributions, distributions of excess contributions, or distributions upon the death of the account beneficiary. It is not sufficient merely for a written governing instrument of a Trump account to state the prohibition of section 530A(b)(1)(C)(ii); the trustee must comply with the prohibition. The procedures may, but are not required to, be in the written governing instrument.

Comments are requested regarding the applicability of withholding under section 3405 for distributions from a Trump account during the growth period (other than distributions that are qualified rollover contributions).

Q. E-2: During the growth period, is it permissible for a trustee to make a hardship distribution from a Trump account or to close a Trump account and distribute the account funds to the account beneficiary?

A. E-2: No. During the growth period, the only permitted distributions are those described in Q&A E-1 of this notice. Thus, a trustee is not permitted to make a hardship distribution from a Trump account or to close the Trump account and distribute the account funds to the account beneficiary.

Q. E-3: When can a rollover be made from the Trump account of an account beneficiary to an ABLE account of the account beneficiary?

A. E-3: During the growth period, a qualified ABLE rollover contribution from a Trump account can be made only during the calendar year in which the account beneficiary attains age 17 (and not in any prior calendar year). After the growth period, a Trump account cannot be rolled over under section 408(d)(3) into an ABLE account.

Q. E-4: What happens upon the death of the account beneficiary of a Trump account?

A. E-4: If an account beneficiary of a Trump account dies after the growth period, the rules that apply to other individual retirement arrangements after the death of the account owner apply (for example, if the inheriting beneficiary of the account is a parent of the account beneficiary, the account would become an inherited IRA for the benefit of that parent pursuant to section 408(d)(3)(C)(ii), and would be subject to the required minimum distribution rules that apply in such a case to other IRAs pursuant to section 408(a)(6)).

However, if the account beneficiary dies during the growth period, the rules of section 530A(d)(6) apply, and the account ceases to be both a Trump account and an IRA as of the date of death. In such a case, the account is treated as if all the assets of the account were distributed on the date of death and, as a result, gross income of the inheriting beneficiary will include the fair market value of the assets as of the date of death (reduced by basis). If the inheriting beneficiary is the estate of the account beneficiary, the amount will be included in the gross income of the account beneficiary for the last taxable year of the account beneficiary.

F. REPORTING

Section 530A(h)(1) provides that the IRA reporting rules under section 408(i) do not apply to a Trump account during the growth period.

Section 530A(i)(1) and (3) provides that, during the growth period, the trustee of a Trump account shall report to the Secretary and to the account beneficiary information with respect to contributions accepted (including the amount and source of any contribution over \$25 made by a person other than the Secretary, the account beneficiary or his or her parent or legal guardian), distributions (including distributions which are qualified rollover contributions), the fair market value of the account, the basis with respect to the account, and such other matters as the Secretary may require.

Section 530A(i)(2) and (3) provides that, during the growth period, a trustee that receives a qualified rollover contribution shall report to the Secretary, not later than 30 days after the date of the qualified rollover contribution, information regarding the account beneficiary (name, address, and social security number), the new Trump

account (trustee name and address, account number, routing number), and such other information as the Secretary may require.

Q. F-1: When and how must a trustee provide reports under section 530A(i)(1)?

A. F-1: A trustee must provide certain annual reporting for Trump accounts under section 530A(i)(1) to the Secretary and the account beneficiary. Forms and instructions regarding such annual reporting will be issued in the future.

Additionally, trustees of Trump accounts will be required to provide certain disclosures to account beneficiaries. The disclosure requirements for Trump accounts generally will be similar to the disclosure requirements for other IRAs under Treas. Reg. § 1.408-6. Comments are requested regarding such disclosure requirements.

Q. F-2: What information regarding the source of contributions must a trustee report to the Secretary and the account beneficiary under section 530A(i)(1)?

A. F-2: In order to comply with required reporting of sources of contributions, trustees will need to report on the aggregate amount of contributions for the year under each of the following categories as part of the annual reporting for Trump accounts:

- (1) exempt contributions (which consist of qualified rollover contributions, pilot program contributions, and qualified general contributions),
- (2) section 128 employer contributions, and
- (3) any other contributions (such as contributions from the account beneficiary, parents, or any other person).

Additionally, the trustee will report the amount and the identity of a contributor making the general funding contribution that is related to a qualified general

contribution, if the contributor requests to be identified. This additional reporting of the amount and identity applies only to contributors making general funding contributions.

Q. F-3: How will trustees obtain the information regarding the source of contributions?

A. F-3: A pilot program contribution is made by the Treasury Department or its agent and it will be identified as such by the Treasury Department or its agent when the contribution is made.

A qualified general contribution is transferred by the Treasury Department or its agent to the trustees of the applicable Trump accounts (but the source of the contribution is the contributor who makes the underlying general funding contribution), and it will be identified as such by the Treasury Department or its agent when the contribution is transferred to the trustee. If the contributor of the general funding contribution requests it (see Q&A H-2 of this notice), the Treasury Department or its agent will provide the identity of the contributor to the trustee when the qualified general contribution is transferred to the trustee.

As described in Q&A I-2 of this notice, an employer making a section 128 employer contribution will be required to affirmatively identify the contribution as such when the contribution is made.

The sources of all other contributions do not need to be separately identified when such contributions are made.

Q. F-4: What reporting must be done related to a qualified rollover contribution under section 530A(i)(2)?

A. F-4: Under section 530A(i)(2) reporting will be made to the Treasury Department by a trustee of a rollover Trump account that receives a qualified rollover contribution (receiving trustee), and such reporting must be done within 30 calendar days of the qualified rollover contribution. In order to comply with required qualified rollover contribution reporting, a receiving trustee will need to provide an electronic report to the Treasury Department or its agent. The Treasury Department is evaluating ways for a receiving trustee to provide this reporting in a secure, electronic format and is also evaluating ways to reduce the burden on trustees through automatic reporting simultaneously with a qualified rollover contribution. Comments are requested regarding this proposed reporting format.

In addition to the reporting required under section 530A(i)(2), when the trustee of a Trump account transfers a qualified rollover contribution, the transferring trustee promptly must provide a report to the receiving trustee (but not to the Treasury Department or account beneficiary) identifying the transferring account as a Trump account and providing information regarding the basis in the transferred Trump account and the contributions received by the transferring trustee for the calendar year in which the qualified rollover contribution occurs. This information is necessary in order for the receiving trustee to confirm that the transfer is a qualified rollover contribution from a Trump account, to be able to accurately report the information required pursuant to section 530A(i)(1), and to enforce the prohibition under section 530A(b)(1)(C)(i)

(regarding not accepting a contribution that would exceed the section 530A(c)(2) limit).
No particular form or format would be required for this trustee-to-trustee reporting.

G. COORDINATION WITH IRA RULES

Section 408(d)(1) provides that any amount distributed out of an individual retirement arrangement shall be includible in gross income in the manner provided under section 72. Section 72(e)(8)(B) provides that the amount allocated to basis is the portion of the distribution which bears the same ratio to the distribution as the basis bears to the account balance.

Section 408(d)(2) provides that, for purposes of applying section 72, all individual retirement arrangements are treated as one contract and all distributions during any taxable year are treated as one distribution.

Section 530A(a) provides that a Trump account shall be treated in the same manner as an IRA, except as provided by section 530A or under guidance established by the Secretary.

Section 530A(h)(1) provides that the rules of section 408(k) (regarding SEP arrangements) and (p) (regarding SIMPLE IRA plans) do not apply to a Trump account, and, during the growth period, section 408(d) (regarding the tax treatment of individual retirement arrangement distributions) and section 408(i) (regarding IRA reporting) do not apply.

Section 530A(h)(4) provides that the individual retirement arrangement aggregation rule of section 408(d)(2) must be applied separately with respect to Trump accounts and other individual retirement arrangements.

Q. G-1: After the growth period, what rules apply regarding the taxation of distributions from a Trump account?

A. G-1: After the growth period, distributions from a Trump account are subject to the individual retirement arrangement distribution rules under section 408(d), which generally apply to Trump accounts in the same manner as distributions from other traditional individual retirement arrangements. For example, distributions of amounts that are allocable to basis are not includible in gross income but all other amounts, including all earnings of the account, would be included in gross income upon distribution.

However, section 408(d)(2) is applied separately with respect to a Trump account and other individual retirement arrangements. Accordingly, after the growth period, the portion of a distribution from a Trump account that is allocated to basis in the account is the portion of the distribution that bears the same ratio to the total amount of the distribution as the individual's total basis in the Trump account bears to the total value of the individual's Trump account. In addition, at all times, Trump accounts are disregarded for purposes of determining the portion of a distribution from a traditional individual retirement arrangement that is not a Trump account that is allocated to basis.

The Treasury Department and the IRS anticipate issuing additional guidance with respect to this tax treatment for individual retirement arrangements in general. However, see Q&A A-10 of this notice regarding a permissible provision in the written governing instrument for an automatic trustee-to-trustee transfer to a traditional IRA that is not a Trump account after the growth period.

Q. G-2: Does a Trump account cease to be a Trump account immediately after the growth period?

A. G-2: No. Because of the continuing prohibition against a Trump account receiving contributions under a SEP arrangement under section 408(k) or a SIMPLE IRA plan under section 408(p) and the separate application of section 408(d)(2) with respect to Trump accounts and other individual retirement arrangements, a Trump account does not automatically cease to be a Trump account immediately after the growth period.

However, see Q&A A-10 of this notice, regarding a permissible provision in the written governing instrument for an automatic trustee-to-trustee transfer to a traditional IRA that is not a Trump account after the growth period.

H. QUALIFIED GENERAL CONTRIBUTIONS

Section 530A(f)(1) provides that a “qualified general contribution” is any contribution that (A) is made by the Secretary pursuant to a general funding contribution, (B) is made to the Trump account of an account beneficiary in the qualified class of account beneficiaries specified in the general funding contribution, and (C) is in an amount equal to the ratio of the amount of such general funding contribution to the number of account beneficiaries in such qualified class.

Section 530A(f)(2) provides that a “general funding contribution” is a contribution (A) made by (i) an entity described in section 170(c)(1) (other than a possession of the United States or a political subdivision thereof) or an Indian tribal government, or (ii) an organization described in section 501(c)(3) and exempt from tax under section 501(a),

and (B) which specifies a qualified class of account beneficiaries to whom such contribution is to be distributed.

Section 530A(f)(3)(A) provides that a “qualified class” means any of the following three classes of account beneficiaries --

- (1) All account beneficiaries who are in the growth period when the contribution is made;
- (2) All account beneficiaries who are in the growth period when the contribution is made and who live in one or more states (including the District of Columbia) or other qualified geographic area specified by the general funding contribution; or
- (3) All account beneficiaries who are in the growth period when the contribution is made and who were born in one or more calendar years specified by the general funding contribution.

Section 530A(f)(3)(B) provides that a “qualified geographic area” means any geographic area in which not less than 5,000 account beneficiaries reside and which is designated by the Secretary as a qualified geographic area.

Q. H-1: How will an account beneficiary of a Trump account receive a qualified general contribution?

A. H-1: A qualified general contribution is transferred by the Treasury Department or its agent to the trustee of a Trump account pursuant to a general funding contribution. The Treasury Department or its agent will identify all account beneficiaries within the qualified class specified by the general funding contribution and will distribute

the qualified general contribution to the Trump account of each account beneficiary in the qualified class.

Q. H-2: How is a general funding contribution made?

A. H-2: To make a general funding contribution, an entity described in section 530A(f)(2) (such as a state or section 501(c)(3) organization⁶) will make an application to the Treasury Department or its agent. This application will include the total amount of the general funding contribution, the qualified class, and, if elected by the contributor, a consent to disclose the identity of the contributor to the trustee of the Trump account of each account beneficiary in the qualified class (which identity and amount would then be reported to the account beneficiaries receiving the related qualified general contribution, see Q&A F-2 of this notice). For the calendar years 2026 and 2027, the application will require a minimum general funding contribution equal to at least \$25 per account beneficiary in the qualified class. The Treasury Department anticipates that this application will be available at some time after July 4, 2026. The Treasury Department will provide more information about how and where to make this application before the application process opens.

After receiving and processing the general funding contribution, the Treasury Department or its agent will make the qualified general contribution to the Trump account of each account beneficiary in the qualified class specified in the general funding contribution. Qualified general contributions will be available to be made on a

⁶ The Treasury Department and the IRS have determined that an organization described in section 501(c)(3) furthers a section 501(c)(3) purpose by making a general funding contribution described in section 530A(f)(2), including distributions from a donor advised fund.

quarterly basis, based on the members of the qualified class as of the beginning of the quarter.

To accommodate the operational rollout of the Trump accounts, the Treasury Department and the IRS will not designate any qualified geographic area during the initial phase. Thus, until the Treasury Department and the IRS designate qualified geographic areas, a qualified class can consist only of:

- (1) All account beneficiaries who are in the growth period when the contribution is made;
- (2) All account beneficiaries who are in the growth period when the contribution is made and who live in one or more states (including the District of Columbia) specified by the general funding contribution; or
- (3) All account beneficiaries who are in the growth period when the contribution is made and who were born in one or more calendar years specified by the general funding contribution.

Comments are requested regarding what uniform factors and criteria the Treasury Department and the IRS should consider using in the future to designate qualified geographic areas under section 530A(f)(3)(B).

Q. H-3: May a contributor of a general funding contribution impose additional eligibility criteria to any of the three qualified classes listed in section 530A(f)(3)(A)?

A. H-3: No. The only permissible qualified classes of account beneficiaries eligible for a qualified general contribution are the three qualified classes listed in section 530A(f)(3)(A). No additional eligibility criteria may be imposed on the qualified class.

I. SECTION 128 EMPLOYER CONTRIBUTIONS

Section 128(a) provides that an amount paid by an employer as a contribution to the Trump account of an employee or of any dependent of such employee pursuant to a Trump account contribution program is excludible from income of the employee.

Section 128(b) provides that the amount excludible under subsection (a) with respect to any employee shall not exceed \$2,500 (subject to cost-of-living adjustments after 2027).

Section 128(c) provides that a “Trump account contribution program” means a separate written plan of an employer for the exclusive benefit of its employees to provide contributions to the Trump accounts of such employees or dependents of such employees.

Q. I-1: How much can be excluded from gross income of an employee for a contribution by an employer pursuant to a Trump account contribution program?

A. I-1: For a calendar year, up to \$2,500 (subject to cost-of-living adjustments after 2027) may be excluded from gross income of the employee under section 128(b)(1) for a contribution made by an employer pursuant to a Trump account contribution program. This annual limit is per employee and not per dependent of the employee. For example, if an employee has two or more children that have Trump accounts, an employer with a Trump account contribution program may only contribute up to \$2,500 in the aggregate for 2026 to those Trump accounts.

Q. I-2: What information must an employer provide a trustee of a Trump account when making a section 128 contribution?

A. I-2: When making a contribution pursuant to a Trump account contribution program, an employer must affirmatively indicate to the trustee of the Trump account that the contribution is a section 128 employer contribution excludible from gross income of the employee. The trustee of the Trump account may rely on the information from the employer, unless the trustee has knowledge to the contrary.

Q. I-3: May a Trump account contribution program be offered via salary reduction under a section 125 cafeteria plan?

A. I-3: Yes, in most, but not all, circumstances. A Trump account contribution program may be offered via salary reduction under a section 125 cafeteria plan if the contribution is made to the Trump account of the employee's dependent but not if the contribution is made to the Trump account of the employee. Although a Trump account contribution program would be a qualified benefit under section 125(f)(1), a contribution under the Trump account contribution program to a Trump account of the employee would provide deferred compensation under section 125(d)(2)(A), because the employee would have a vested right to compensation that may be payable to that individual in a later year. The Treasury Department and the IRS intend to address rules related to the coordination of Trump account contribution programs and section 125 cafeteria plans in proposed regulations.

IV. REQUEST FOR COMMENTS

The Treasury Department and the IRS request comments on the intended regulations regarding Trump accounts and related sections of the Code, including the

issues addressed in section III of this notice. In particular, the Treasury Department and the IRS request comments in response to the specific comment requests regarding particular issues in Q&As A-1, A-3, D-1, D-4, D-5, D-7, D-9, E-1, F-1, F-4, and H-2.

Comments should be submitted in writing on or before February 20, 2026, and should include a reference to Notice 2025-68.

Comments may be submitted electronically via the Federal eRulemaking Portal at www.regulations.gov (type "IRS Notice 2025-68" in the search field on the www.regulations.gov home page to find this notice and submit comments). Alternatively, comments may be submitted by mail to: Internal Revenue Service, Attn: CC:PA:01:PR (Notice 2025-68), Room 5503, P.O. Box 7604, Ben Franklin Station, Washington, D.C. 20044.

The Treasury Department and the IRS will publish for public availability any comment submitted electronically or on paper to its public docket.

V. DRAFTING INFORMATION

The principal author of this notice is the Office of Associate Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes). For further information regarding this notice, please contact (202) 317-4148 (not a toll-free number).