

# The No-Fuss Guide To Understanding Trump Accounts

There's a lot of talk about Trump Accounts, and it's not always clear what's worth your attention. We cut through the noise and explain the basics, plainly and without hype. This guide covers what these accounts are, what's still unknown and when it makes sense to pay attention—so you can focus on your baby, not financial fine print. One less thing to figure out on your own.

## Quick facts

A 530A account, also known as a “Trump Account,” is a new, government-created investment account for US children under 18. It's designed to make it easier to start saving early, even with a relatively small amount.

These accounts were created and funded as part of the One Big Beautiful Bill Act (OBBBA), which passed in 2025, and they'll be available to families starting July 4, 2026.

If you have a baby born between 2025 and 2028, your child will qualify for \$1,000 in seed money from the federal government to help get the account started. This is their money with parents/guardians acting as custodian until adulthood.

Some children born between 2016 and 2025 may also qualify for a \$250 contribution through a privately funded program, the funds aim to provide seed money for approximately 25 million children in lower-income zip codes.

Funds in a 530A account are expected to be invested in low-cost index funds. Over time, investments like these can grow, though returns are never guaranteed and balances can go up or down. Even without additional contributions, that initial \$1,000 may increase over 18 years, depending on how the market performs.

The “Trump Accounts 50 State Challenge” is a Treasury-led effort to encourage philanthropists and large donors to fund 530A Accounts for children in all 50 states, on top of the standard federal benefit.

## What every parent should consider

### Potential benefits

#### Low maintenance

These tax-deferred accounts work similar to an IRA. The goal is to “set it and forget it” so it has time to grow.

#### Financial literacy

Opening a 530A account gives parents an opportunity to teach their children about investing and compound interest from an early age.

#### Nonexclusive

You can have both a 529 account and a Trump Account and contribute to both accounts. Similarly, if your child has earned income and qualifies for an IRA, they can also still contribute to a 530A account.

#### Employee benefits

Employers can make pre-tax contributions to an employee's Trump Account, up to \$2,500 a year.

#### Special programs

Some local and state governments may make additional contributions to Trump Accounts. Those contributions won't count toward the \$5,000 limit.

### Tradeoffs to understand

#### Not for short term use

The federal seed money is designed for long-term saving. Withdrawing funds before your child turns 18 can trigger taxes and penalties.

#### Spending limits

Based on current guidance, once your child reaches adulthood, money from a 530A account can only be used for certain purposes, like education or a first home. Other uses may come with taxes or penalties.

#### Taxes apply

While money in a 530A account grows tax-deferred, investment earnings are expected to be taxed when funds are withdrawn, whether at age 18 or later.

#### Low contribution minimums

Parents and legal guardians, as well as friends and family can contribute up to \$5,000 annually to these accounts. Employers can contribute up to \$2,500 per employee, and those contributions count toward the \$5,000 limit.

#### Contributions don't reduce your taxable income

Unlike some retirement accounts, parent contributions to a 530A account are not tax deductible.

# Dates to know

**Apr 15, 2026**

Tax Day. Families can apply to open an account by filling out Form 4547 when they file their 2025 taxes this spring. But don't worry—this isn't your only chance to open an account.

**July 4, 2026**

Trump Accounts become available for families.

**Jan 1, 2025**

Children born between 1/01/2025–12/31/2028 qualify for \$1,000 seed money in Trump 530A accounts.

**Summer 2026**

Expected timeline for the Treasury Department to release an online tool so families can sign up for a 530A account if they didn't do so when filing their taxes.

**Dec 31, 2028**

Eligibility window for \$1,000 seed fund ends.

## Looking ahead

**Jan 1, 2043**

Happy Birthday! The first 18 year olds who received the \$1,000 seed fund can now withdraw money penalty-free from their Trump Account. Funds from a 530A account can only be used for certain expenses, such as paying for college or buying a home.

**July 1, 2084**

The first day a person born in 2025 could withdraw money from their 530A account without penalty to use for expenses other than college or homeownership. The long game has its perks.

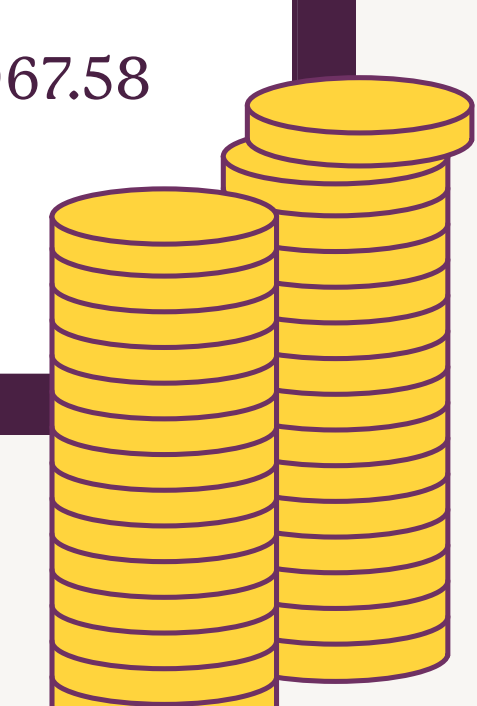
# The magic of compound interest

AKA, how to make your baby a millionaire

There's been a lot of rumblings that if families invest in 530A accounts, their children could be millionaires by 30. There's some truth in that: If you assume these accounts grow 10% annually, and you invest \$6k in year 0 with the seed money, and then \$5k per year for the next three decades, your child will have just over \$1 million in their account at age 30.

Albert Einstein called compound interest the eighth wonder of the world. And it is amazing to see how your investment can grow, even if you never add another dollar to your 530A account. In this chart, we calculated how much your investment could grow over 18, 30, and 60 years. We assumed a modest 6% rate of return. (Note: We didn't adjust for inflation in our calculations and past performance of the market doesn't guarantee future returns.)

Investment amount	Total additional investments	Year 18	Year 30	Year 60
\$1,000	\$0	\$2,854.34	\$5,743.49	\$32,987.69
Investing \$2,500 per year til age 18, then \$0	\$45,000 over 18 years	\$91,890.17	\$184,901.08	\$1,061,977.70
Investing \$5,000 per year til age 18, then \$0	\$90,000 over 18 years	\$180,925.99	\$364,058.64	\$2,090,967.58




## Checklist to get started

If it seems overwhelming to manage yet another financial account, don't stress! Families won't be able to open and fund a 530A account until July 4, 2026, and details are still limited.

Here are a few to-dos so you are prepared when they become available.

- Make sure your child has a Social Security number. You may have already done this at the hospital. If not, you can apply online through the Social Security Administration.
- The Treasury Department will administer these accounts and will provide families with more information on setting up and funding them.
- When you file your 2025 taxes, fill out [Form 4547](#). This helps ensure everything is set up correctly from the start. You need to fill out one form per child.
- Decide how much to contribute based on what feels manageable for your family budget and financial priorities
- Didn't file [Form 4547](#)? Was your child born after tax season? You can set up an account at [trumpaccounts.gov](http://trumpaccounts.gov) starting in July 2026.
- Check with your employer to see if they offer contribution matching.