

# Introducing the 530A Accounts

In 2026, families across the United States will gain access to a new financial tool designed to enhance their children's financial futures: the 530A account, commonly known as "Trump Accounts." This account is specifically crafted for newborns, but it also has another, lesser-known feature. The federal government plans a \$1,000 contribution to each account for children born between January 1, 2025, and December 31, 2028, through a pilot program.<sup>1,2</sup>

## What is a 530A Account and Who Can Open One?

The 530A account was introduced under the One Big Beautiful Bill Act. Accounts are available for all American children under age 18, which has been largely overlooked. The attention has been on the \$1,000 federal seed money that's for babies born between Jan. 1, 2025, and Dec. 31, 2028.<sup>1,2</sup>

To establish the account, the minor must possess a Social Security number and be under 18 years old as of December 31 of the year the account is opened. Each child is permitted only one account.

## Opening a 530A Account

Parents, legal guardians, adult siblings, or grandparents can open a 530A account for eligible children by submitting Internal Revenue Service (IRS) Form 4547. The form serves as the election to create the account.<sup>1,2</sup>

## Availability and Contribution Guidelines

530A accounts will become available in 2026, with contributions commencing after July 4, 2026. Contribution limits are \$5,000 per child per year. This limit includes contributions from parents, families, and up to \$2,500 from employees and other organizations.<sup>1,2</sup>

## How much could your child's account be worth before they graduate high school?

Adjust the inputs below to see how contributions, interest, and the \$1,000 federal seed impact long-term growth.

Annual contribution

\$/ yr

\$0\$5,000 max

Assumed annual return

%

1%8% max

Include \$1,000 federal seed money

Value at year 18

**\$166,654**

Total contributed

**\$91,000**

Growth from interest

**\$75,654**

At these settings, interest alone adds **\$75,654** — money your family never had to save.

Hypothetical example. Actual results will vary.

This is a hypothetical example used for illustrative purposes only. It is not representative of any specific investment or combination of investments. Actual results will vary. Contributions are subject to annual limits and eligibility requirements. Past performance is not a guarantee of future results.

## Investment and Withdrawal Regulations

Investments must adhere to the criteria set by the U.S. Treasury Department. The account will be subject to the same required minimum distribution (RMDs) rules as a traditional IRA, which means once you reach age 73, you must begin taking distributions in most circumstances.

Withdrawals are taxed as ordinary income and, if taken before age 59½, may be subject to a 10% federal income tax penalty.<sup>1,2</sup>

## Integration into Family Financial Strategy

530A accounts provide practical experience in saving and investing. Contributions from external sources, such as employers, governments, and charitable organizations, may make the accounts even more attractive.<sup>1,2</sup>

## Can it be converted to a Roth IRA?

Yes. The initial guidance indicates a Roth IRA starting in the year the individual turns age 18. Once the Roth IRA is open, the new account could have decades of tax-free growth from the money that was originally placed in the account.

Remember, the original Roth IRA owner is not required to take minimum annual withdrawals. Plus, Roth distributions must meet a five-year holding period and occur after age 59½ to qualify for the tax-free and penalty-free withdrawal of earnings. In certain other circumstances, tax-free and penalty-free withdrawal can also be taken, such as following the owner's death.

“Trump accounts” may not be right for everyone, but they may be worth exploring. Let's discuss what role a 530A account can play in your future.

1. IRS.gov, December 4, 2025

2. House.gov, March 31, 2026

The content is developed from sources believed to be providing accurate information. The information in this material is not intended as tax or legal advice. It may not be used for the purpose of avoiding any federal tax penalties. Please consult legal or tax professionals for specific information regarding your individual situation. This material was developed and produced by FMG Suite to provide information on a topic that may be of interest. FMG Suite is not affiliated with the named broker-dealer, state- or SEC-registered investment advisory firm. The opinions expressed and material provided are for general information, and should not be considered a solicitation for the purchase or sale of any security. Copyright FMG Suite.