2026 RULES

PART 1 OF 2 · THE BASICS

TRUMP ACCOUNTS

A FREE $1,000 FROM THE GOV'T

Not automatic — you claim it on **IRS Form 4547.**

- U.S. citizen
- Has an SSN
- Born 2025–2028

As of Jul 2026: ~4M kids enrolled, but only ~1M claimed the $1,000.
Most families are leaving the free money on the table.

A kid's IRA

A custodial traditional IRA — one per child, run by a parent.

Who qualifies

Any child under 18 at year-end with a valid SSN.

$5,000 a year

Family contributions, after-tax. Indexed for inflation after 2027.

Employer can add

Up to $2,500/yr, tax-free — but it's **inside** the $5,000 cap.

Invested in the S&P 500

Low-cost index funds only (fees ≤ 0.1%). No stock-picking.

Locked until 18

No withdrawals until 18 — then it becomes a traditional IRA.

HOW TO CLAIM THE FREE $1,000

1. **E-file it**
   Attach Form 4547 to your e-filed return (fastest).
2. **Or file online**
   At trumpaccounts.gov or your IRS online account (ID.me).
3. **Beat the deadline**
   Elect by Dec 31 of the year your child turns 17.

That's the basics. Next up →
Strategies & gotchas — including the kiddie-tax trap.

2026 RULES

PART 2 OF 2 · STRATEGIES & GOTCHAS

TRUMP ACCOUNTS

THE BIG STRATEGY

Convert to a Roth at 18 — maybe tax-free

At 18 it becomes a traditional IRA. Convert it to a Roth while your child still has little or no income, and the conversion can be taxed at **0% or a very low rate** — then it grows 100% tax-free for the rest of their life.

The trap: while the child is your dependent, the **kiddie tax** can tax the conversion at YOUR rate. Convert in a low-income year — and mind the 5-year clock.

MORE GOTCHAS

Not all dollars are taxed the same

Family after-tax contributions create **basis** — that part comes out tax-free. But employer, gov't & charity dollars go in **pre-tax**, so those plus **all** growth are taxable on withdrawal.

Pro-rata rule: your tax-free basis is spread across ALL your IRAs — you can't pull just the basis.

It's the kid's at 18

At 18 the child controls it — they could cash it out (and owe the tax).

Early = 10% penalty

Once it's an IRA, withdrawals before 59½ generally owe a 10% penalty.

THE PAYOFF

$4 MILLION+

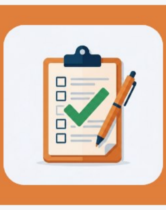
$1,000 gov't seed + $1,000/yr from family for 17 years (~$18,000 in). Left to compound to age 65.

*Hypothetical illustration at ~10%/yr assumed. Not guaranteed. Not an IRS projection.

Heads up: accounts are open now and the dollar figures & dates are final law.
The IRS is still finalizing the detailed regulations — a few mechanics could change (expected ~2027).

WANT THE FULL PRINTABLE GUIDE?

eghtax.com/trump-accounts



Sources: IRS Notice 2025-68 · Form 4547 · CRS R48910 · Fidelity · educational content, not individualized tax advice