



## Form 4547 “Trump Accounts” FAQ

### **What is a Trump Account?**

A Trump Account is a government-administered tax-favored investment account for eligible children that is generally treated like a traditional IRA (not a Roth).

### **How is it taxed when money is withdrawn?**

Withdrawals are taxable only on the earnings (growth) — the contributed principal (basis) is not taxed when withdrawn.

### **Eligibility:**

#### **Who can be the beneficiary (the child)?**

- The child must be **under age 18** at the end of the election year.
- The child must have a **valid Social Security Number (SSN)**.

#### **Can a child with an ITIN qualify?**

No. The child must have an SSN.

#### **Does the child need a middle name to proceed?**

The child’s name must match their social security card.

#### **Can a child have more than one Trump Account?**

No — only one account per child.

#### **Does the adult opening the account need an SSN?**

No. The adult opening the account for a qualified child can have an ITIN.

#### **Who can open the account?**

The account is intended to be opened by the child’s legal guardian or parent. If those are truly not available, other relatives may qualify in a priority order (such as an adult sibling or grandparent).

#### **Does the taxpayer need an email address?**

Yes — a working email address is expected to be required for account setup and communications. Encourage clients to use an email account they can access easily.

#### **What if parents are divorced?**

If both are eligible to open it, it effectively becomes first-to-open. A second account cannot be created later for the same child.

### **Which children qualify for the \$1,000 seed contribution?**

Children **born January 1, 2025 through December 31, 2028** may qualify for a **\$1,000 seed contribution**, assuming the account is opened properly, and the child has an SSN.

### **Can someone open the account and decline the \$1,000?**

Yes — an account can be opened and the seed funding can be declined.

### **What is the \$250 Dell Contribution?**

There has been discussion of a separate \$250 contribution connected to a foundation donation program. Details are still limited and not fully reflected in final guidance/instructions. Where it applies, it has been described as potentially for children who:

- are **under 10**,
- **do not** qualify for the \$1,000, and
- live in a zip code with median household income at or below a stated threshold, with an overall cap on the number of eligible recipients.

### **Is there an official list of qualifying zip codes?**

Not yet (at least at the time of publication). More details are expected.

### **Timing and contributions:**

#### **When do these accounts actually open / become active?**

Elections to establish Trump Accounts can be made in 2026. After an election, Treasury (or its agent) will send information to activate the account through an authentication process, starting May 2026. Accounts are expected to become available for contributions on July 4, 2026.

#### **Can families contribute money right now when they file Form 4547?**

No — Form 4547 is not a contribution form. Contributions would occur after accounts are opened and administered by the Treasury Department.

#### **How does a taxpayer open a Trump Account?**

There are expected to be multiple ways, including:

1. Filing **Form 4547 with the 2025 Form 1040**
2. Filing a **paper Form 4547** by mail
3. Using an **online process** once fully available (<https://trumpaccounts.gov/>)

#### **If the taxpayer already filed their 2025 return, can they still open it?**

Yes, with the other two means mentioned above (paper file and online process).

#### **What is the annual contribution limit?**

The annual limit discussed was **\$5,000 per year total** per child (across all contributors). The \$1,000 government seed is not included.

### **Do employer contributions count toward the \$5,000 cap?**

Yes — employer contributions would be included.

### **Withdrawals and permitted uses:**

#### **When can the beneficiary use the money without penalties?**

The permitted uses discussed (after the beneficiary reaches 18) include:

- Higher education / vocational education
- Starting a business
- First-time home purchase  
(Other traditional IRA-style exceptions such as death/disability were also referenced.)

#### **Does it grow tax-free like a Roth?**

No — it is **not** treated as tax-free growth. Instead, you can think of it as tax-deferred growth. Earnings withdrawn are taxable, just like in a Traditional IRA.

### **Investments and administration:**

#### **Is the account protected if the market drops?**

No. Accounts will be invested in **broad market index-style funds**, which can rise and fall with the market.

#### **Who holds/manages the account?**

The accounts will be **administered through the government (Treasury)** initially, with the possibility of more flexibility later.

#### **Can it be rolled into another account later?**

Accounts may be **rollable into a traditional IRA** after the growth period (i.e, beneficiary child turns 18).

### **What's still pending:**

Some operational details are still expected to be clarified through additional guidance, including:

- Final e-sign / authorization process
- Fusion access to account creation for children born in 2026.
- Exact timing of account activation and seed funding deposits
- Full details on the separate \$250 program (eligibility, verification, and whether it impacts annual caps)

**Questions? Contact [pspadvisory@gmail.com](mailto:pspadvisory@gmail.com) |**