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February 2026

To My Clients and Friends:

### TRUMP ACCOUNTS

The most exciting provision of the One Big Beautiful Bill Act signed into law on July 4, 2025, was the provision for tax favored Trump Accounts for children. A Trump Account is a type of traditional individual retirement account (IRA) for the exclusive benefit for a ***child under age 18***. While a Trump Account is a type of IRA, special rules apply to Trump Accounts that do not apply to other IRAs. Trump Accounts can receive contributions from several different sources including the child, the child's parents, employer, or any other person. As of the end of January, the U.S. Treasury has received over one million Forms 4547 for establishing a Trump Accounts.

### FORM 4547

Establishing a Trump Account is made by an authorized individual by completing and filing Form 4547. Form 4547 should be e-filed with the authorized individual's 2025 federal income tax return. If you need to file Form 4547 after the 2025 return has been filed, the form can be filed online at [trumpaccounts.gov](http://trumpaccounts.gov). Alternatively, the Form 4547 can be paper filed by mail to the address for filing paper returns. **You cannot file Form 4547 with an amended return.** The authorized individual will be the responsible party for the Trump Account and usually the parent or guardian of the child. Other authorized individuals could be an adult sibling or grandparent.

### CONTRIBUTION FROM U.S. TREASURY

A pilot program for a \$1,000 contribution from the U.S. Treasury is available for a child born in 2025 through 2028. To qualify for the \$1,000 U.S. Treasury contribution, the child must be a qualifying child of the person ***opening the Trump Account***, a U.S. citizen and must have a valid Social Security number.

### CONTRIBUTIONS

Contributions are allowed during the "growth period" which starts on the date the Trump Account is established and ends on December 31 of the year before the child turns 18. For example, a child born on September 15, 2025, turns 18 on September 15, 2043. The last day of the growth period of the account would be December 31, 2042.

There are five types of contributions allowed into a Trump Account:

1. A pilot program contribution from the U.S. Treasury.
2. Qualified contributions by States and other government entities.
3. Employer contributions that are not includable in the gross income of the employee under section 128.
4. Qualified rollover contributions from prior Trump Accounts.
5. Contributions from other sources including the child, the child's parents, or any other person.

***Contributions cannot be made to a Trump Account before July 4, 2026.***

Contributions from other sources and employer contributions are limited to an annual limit of \$5,000, which will be adjusted for inflation after 2027.

Contributions to a Trump Account during the growth period are not includible in income by the child when made. Only contributions from other sources and rollover “basis” from other Trump Accounts have a tax basis.

**TRUMP ACCOUNT OWNER**

The owner of the Trump Account is the child listed on Form 4547

**ELIGIBLE INVESTMENTS**

During the growth period, investments in a Trump Account are limited to eligible investments, generally defined as a mutual fund and exchange traded funds (ETF) that tracks primarily U.S. Companies and meets other requirements.

**DISTRIBUTIONS**

During the growth period, the only distributions allowed from a Trump Account are qualified rollover contributions to another Trump Account, qualified rollover contributions to an ABLE Account, distributions of excess contributions, and distributions upon death of the Trump Account owner.

After the growth period distributions rules that apply to traditional IRAs will generally apply to Trump Accounts including the potential 10% penalty for early distributions unless an exception applies for higher education expenses or first home purchase.

If you have any questions or would like any assistance in establishing a Trump Account, please contact me.

Very truly yours,

*Charles E. Solak*

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