Letter from the Investment Company Institute

October 29, 2025

Ms. Helen Morrison
Benefits Tax Counsel
U.S. Department of the Treasury
1500 Pennsylvania Ave., NW
Washington, DC 20220

Re: Implementation of Trump Accounts

Dear Ms. Morrison:

On behalf of the Investment Company Institute,[1] we appreciate the opportunity to engage with the Treasury Department and Internal Revenue Service (IRS) on the implementation of Trump Accounts, a new type of tax-preferred account created by H.R. 1 (the "Act"). ICI appreciates the leadership of President Trump in the creation of Trump Accounts which will foster a culture of investing among young people.[2] We have a strong interest in helping to make Trump Accounts a successful and enduring program. We recognize the urgency and complexity of launching this novel program by July 2026 and remain committed to supporting Treasury's efforts to ensure its success.

Since enactment, we have worked closely with our members to identify areas where guidance or clarification would be beneficial. This letter follows up on issues discussed in our meeting with Treasury and IRS representatives held on August 19, 2025. Below we offer several recommendations and identify questions that we believe will help Treasury establish a robust and administrable framework for Trump Accounts. Most importantly, as Treasury begins implementation of the Trump Account program, we urge you to prioritize the creation of a robust and competitive marketplace for account trustees and custodians. This foundational

[1] The Investment Company Institute (ICI) is the leading association representing the asset management industry in service of individual investors. ICI's members include mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs) in the United States, and UCITS and similar funds offered to investors in other jurisdictions. Its members manage $41.5 trillion invested in funds registered under the US Investment Company Act of 1940, serving more than 120 million investors. Members manage an additional $9.7 trillion in regulated fund assets managed outside the United States. ICI also represents its members in their capacity as investment advisers to collective investment trusts (CITs) and retail separately managed accounts (SMAs). ICI has offices in Washington DC, Brussels, and London.

[2] See ICI news release, dated May 14, 2025, available at https://www.ici.org/news-release/25-new-maga-accounts.

decision will shape the long-term success and accessibility of Trump Accounts for millions of Americans.

Executive Summary

- To encourage broad utilization, it is important to foster a robust competitive marketplace for Trump Accounts. A competitive marketplace is key to the long-term success of the program, as it will incentivize firms to devote resources to promotion and education regarding the accounts. We believe the Act gives Treasury the flexibility to authorize a decentralized, competitive system for account creation and management. By leveraging the existing infrastructure and expertise of IRA providers, an open marketplace will reduce Treasury's administrative burden and promote consumer choice. If, despite our recommendations, Treasury determines to select a single custodian for accounts opened through Treasury, "white-labeling" is crucial to help mitigate the resulting competitive advantage bestowed on the Treasury-selected custodian.
- In interpreting the already narrowly defined statutory term "Eligible Investments," we encourage Treasury to use its interpretive authority to broaden the universe of Eligible Investments as much as possible, rather than to shrink it. For example, Treasury should:
    - Clarify that the leverage restriction excludes only funds seeking leveraged returns—not those using common tools like short-term borrowing or derivatives for operational efficiency; and
    - Define "qualified index" more clearly, allowing for some non-US exposure while still requiring a majority weighting in US equities for both these indexes and the Eligible Investments that track them.
- We urge Treasury to create a streamlined and efficient reporting regime for Trump Accounts that aligns as much as possible with existing reporting for IRAs and 529 plans, as appropriate. This includes clarifying the expectations with respect to reporting and tracking basis, contribution source reporting, and the transition to standard IRA reporting when the beneficiary turns age 18.
- We outline key questions and recommendations for Treasury guidance around employer contributions and general funding contributions to ensure that employers and other contributors can participate effectively. Treasury can support implementation by providing clarity around employer contribution limits, allocation decisions, written plan requirements, and application of nondiscrimination rules, as well as the mechanics of general funding contributions from public and nonprofit entities.
- Treasury should provide guidance to address rollover accounts, including confirming that individuals may make direct contributions to a Trump Account created through a rollover contribution.
- We describe important clarifications needed to confirm that Trump Accounts become traditional IRAs in the year the beneficiary turns age 18. Ensuring that these accounts

do not need to be separately maintained as Trump Accounts after this transition point will allow for simplified administration and rollover into other IRAs.

- We encourage Treasury to adopt cost-saving measures in the implementation of Trump Accounts, aligning with Congressional intent to keep costs low. This would include the ability to use electronic methods of communication with account holders.
- While we understand that Treasury aims to launch the program by July 2026, it would be helpful to provide more information, even informally, about when exactly Treasury intends that Trump Accounts will be open and ready to accept contributions. Providers need this information to plan for rollovers and allocate resources effectively. Treasury could support operational readiness by issuing informal updates on account launch timing and the expected timing of related guidance and regulations.

I. Selection of Trustees and Initiation of Accounts

As a threshold matter, Treasury must determine how it will identify and authorize trustees and custodians to offer Trump Accounts. We understand Treasury may initially require all Trump Accounts to be opened through its designated provider(s). While this may simplify initial rollout, we are concerned about potential adverse selection and market distortion. We strongly encourage Treasury to consider an open marketplace model, allowing qualified IRA providers—including non-bank trustees—to offer Trump Accounts from inception. This approach would:

- Leverage existing infrastructure and expertise across the financial services industry;
- Reduce administrative burden on Treasury; and
- Promote consumer choice and competition.

A competitive marketplace that enables broad participation by qualified financial services firms will incentivize firms to invest in outreach, education, and infrastructure—critical components for widespread adoption and long-term engagement. Conversely, funneling all new Trump Accounts to a single trustee or a limited group of Treasury-selected providers would undermine competition and discourage firms from committing resources to the program. Such an approach risks creating an uneven playing field and concentrating market power in ways that could distort the broader IRA and retirement services landscape.

A. Statutory Authority for a Broader Framework

While the Act provides that a Trump Account must be "created or organized" by Treasury—or through a qualified rollover from another Trump Account—we believe this language grants Treasury flexibility to establish a decentralized system for account creation.

The inclusion of "or organized" suggests Congressional intent to allow Treasury to set up an administrative framework through which private-sector trustees and custodians may open accounts directly. Treasury could, for example, establish eligibility criteria and require registration and periodic reporting by participating providers. Accounts opened under such a system would reasonably be considered "organized" by Treasury and thus authorized under the Act.[3]

This interpretation is further supported by Internal Revenue Code (Code) section 530A(b)(2)(C), which allows either Treasury or another person to elect to create a Trump Account. Treasury's authority to structure a distributed account creation model is clear.

B. Streamlining Account Access and Enhancing Consumer Choice

Allowing individuals to select their preferred provider from the outset would streamline account opening and enhance the appeal of the Trump Account program. Requiring individuals to first open an account through Treasury and then roll over to another provider introduces unnecessary friction and inefficiency. Concerns about Treasury's ability to track accounts from inception can be addressed through the robust reporting requirements authorized under Code section 530A(i). These mechanisms will ensure transparency and oversight without limiting consumer choice.

For individuals who choose to open accounts through Treasury, we urge you to consider offering a selection of multiple trustees or custodians rather than defaulting to a single provider. Treasury could present a list of eligible providers and allow individuals to choose among them at account initiation. This would preserve competition and avoid the appearance of favoritism or endorsement.

C. Eligibility Criteria for Trustees and Custodians

We recommend that Treasury model eligibility for Trump Account providers on existing rules for IRA trustees and custodians. Code section 530A(h)(2) incorporates Code section 408(h), which allows custodial accounts to be treated as trusts if assets are held by a bank or a Treasury-authorized non-bank custodian. There is no policy rationale for excluding providers currently authorized to offer IRAs from participating in the Trump Account program.

D. Broader Market Implications

Going forward, the Trump Account will be every American's first IRA. With approximately 3 million births annually, Treasury's design decisions will have far-reaching implications—not only for Trump Accounts but for the broader IRA marketplace and retirement savings ecosystem as a whole. A Treasury-selected provider in a captive marketplace would gain a

---

[3] Common meanings of the verb "to organize" include to plan, arrange, or set up an administrative structure for. See https://www.merriam-webster.com/dictionary/organize.

significant advantage in establishing long-term customer relationships. It is essential that Treasury avoid picking winners and losers in the financial services sector.

If, despite our recommendations, Treasury determines to select a single custodian for accounts initially opened through Treasury, any website or other materials providing information about opening a Trump Account should not be branded in the name of that custodian. Instead, the website and other materials should be branded under the Treasury Department (or other US government entity) name. This approach is similar to that used for the Federal Thrift Savings Plan, which does not feature branding by private-sector companies chosen to service the plan. While still not ideal, white-labeling will somewhat mitigate the resulting competitive advantage bestowed on the Treasury-selected trustee or custodian.

II. Eligible Investments

The Act limits investments in Trump Accounts to a narrowly defined category, under the term "Eligible Investments" as defined in Code section 530A(b)(3). Several aspects of this provision would benefit from further interpretation from Treasury. One of the four prongs of the definition allows Treasury to specify "such other criteria as [it] determines appropriate."[4] At a high level, we would encourage Treasury to use its interpretive authority to broaden the universe of Eligible Investments, rather than to shrink it. Unnecessarily restricting the already narrow range of Eligible Investments will detract from the success of the Trump Accounts program.

A. Prohibition on Use of Leverage

The Act defines "Eligible Investment" in part as one that "does not use leverage." But the concept of "leverage" under the Investment Company Act and rules thereunder—the statute and ruleset that govern how mutual funds and ETFs must operate—is quite broad. For these funds, "leverage" includes borrowing from banks and use of derivatives. Depending on how broadly one interprets this Act's "leverage" prohibition, otherwise eligible investments could be excluded inadvertently.

Mutual funds and ETFs are already subject to strict leverage limits.[5] Even US equity index funds may use "leverage" (broadly understood) in commonplace ways. For instance, these

---

[4] The term "Eligible Investment" means any mutual fund or ETF which—(i) tracks the returns of a qualified index, (ii) does not use leverage, (iii) does not have annual fees and expenses of more than 0.1 percent of the balance of the investment in the fund, and (iv) meets such other criteria as the Secretary determines appropriate for purposes of this section.

[5] *See generally* Section 18 of the Investment Company Act and Rule 18f-4 thereunder. A mutual fund or ETF is permitted to borrow from a bank if, immediately after borrowing, the fund's total net assets are at least three times total aggregate borrowings (i.e., the fund must have at least 300 percent asset coverage). And Rule 18f-4 permits a mutual fund or ETF to invest in derivatives if it adopts a derivatives risk management program that the

funds may have lines of credit with banks that they occasionally tap on a short-term basis (e.g., to meet redemptions in a cost-effective way). These funds also may use futures or other derivatives to "equitize" their cash (e.g., to maintain full exposure to the market index while still holding some cash to meet redemptions and pay fund expenses). US equity index funds use these tools and investment techniques to operate efficiently and advance their straightforward investment objectives (e.g., seeking to track the performance of their chosen indexes).[6]

As a policy matter, the Act's leverage restriction makes more sense if it is understood narrowly and is meant to exclude only mutual funds and ETFs that seek *leveraged returns* (e.g., returns that correspond to the performance of a market index by a specified multiple). We strongly recommend that Treasury clarify (in coordination with the SEC) the scope of this leverage restriction through guidance to avoid excluding funds that the Act otherwise intends to be "eligible." Treasury could do so by specifying that a fund would not run afoul of this leverage restriction if its (i) investment objective is to seek to track the performance of its chosen index (rather than seeking leveraged returns), and (ii) use of borrowing and derivatives is consistent with that overall investment objective.

B. Requirement to Track the Returns of a Qualified Index

"Eligible Investments" also must "track…the returns of a qualified index."[7] We appreciate that the "qualified index" definition captures more than just the S&P 500 index, and that Eligible Investments therefore are not limited to US large-cap equity index funds. US equity markets are not monolithic—for instance, the risk and return characteristics of large- and small-cap stocks differ meaningfully. And more importantly, markets often move in cycles. The left panel of Figure 1 below shows that over the past 40 years, there have been periods when US small-cap stocks outperform US large-cap stocks, and vice versa. Giving investors the freedom to allocate their investments among a range of Eligible Investments will allow them the opportunity to benefit from these shifts.

The same is true when comparing US equity markets with non-US equity markets—US and international stocks have outperformed each other over different periods (Figure 1, right

---

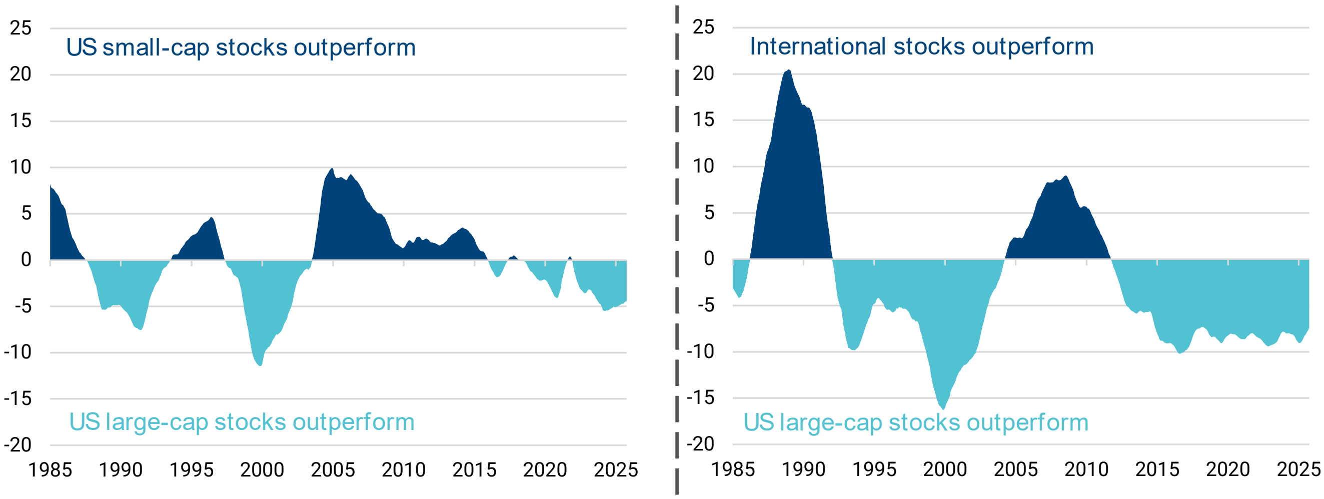
fund's board oversees and complies with an outer-bound limit on fund leverage risk or qualifies as a "limited derivatives user" by keeping derivatives exposure below 10 percent of net assets or using them only to hedge specific currency or interest rate risks.

[6] *See generally* ICI Letter to the SEC on its 2015 derivatives rule proposal (Mar. 28, 2016), available at https://www.sec.gov/comments/s7-24-15/s72415-114.pdf (outlining some of the beneficial ways that funds use derivatives).

[7] The Act defines "qualified index" as "(i) the Standard and Poor's 500 stock market index, or (ii) any other index—(I) which is comprised of equity investments in primarily United States companies, and (II) for which regulated futures contracts (as defined in section 1256(g)(1)) are traded on a qualified board or exchange (as defined in section 1256(g)(7)). Such term shall not include any industry or sector-specific index, but may include an index based on market capitalization."

panel). In particular, international stocks have outperformed US stocks year-to-date in 2025, with a total return on international stocks of 28.7% compared with a total return on US large-cap stocks of 18.4%. Permitting investments in a broad array of US *and* non-US issuers allows account holders to use the benefits of diversification to better manage their risk preferences and potential growth opportunities across markets.

Figure 1
Markets Move in Cycles
Relative performance (percentage points) of US small-cap or international stocks to US large-cap stocks*



*Relative performance is calculated as the difference between the 5-year moving average of annual returns on the Russell 2000 or MSCI World ex USA indexes and the S&P 500 index. Positive values indicate the outperformance of US small-cap or international stocks, while negative values indicate outperformance of US large-cap stocks. Data are through October 28, 2025.
Source: ICI calculations of Refinitiv and Bloomberg data

But because the Act defines "qualified index" in part as one that "is comprised of equity investments in primarily United States companies," it is not entirely clear which global equity indexes would be "qualified indexes" (and therefore which global equity index funds would be "Eligible Investments"). Treasury could provide useful guidance in this regard. We recommend that Treasury further define "primarily" here as a *majority* of the index's total equity exposure. This would ensure that all account holders would maintain a majority of their investments in US companies while still providing account holders some discretion to obtain complementary and beneficial investment exposures.

If Treasury is intent on taking a narrow view of its authority under Code section 530A(b)(3)(A)(iv),[8] then it should at least interpret the Act's undefined terms (e.g., "primarily") in ways that expand the universe of Eligible Investments. Otherwise, Trump Account investors will be highly constrained in their investment options and limited in their ability to diversify and reduce risk.

C. Application of 0.1 Percent Fee Cap

According to the Act, an Eligible Investment may not have annual fees and expenses of more than ten basis points. Under a plain reading of the text, this limitation should apply to the investment itself (i.e., the mutual fund or ETF). Nothing in the legislation appears to limit an account level fee, such as a custodial fee. We urge Treasury to confirm this interpretation. Further, as discussed below, to allow providers to support the maintenance of very low-cost accounts, Treasury should consider cost savings features as it crafts rules to implement the accounts.

D. Multiple Investment Options

While the Act significantly restricts the universe of Eligible Investments, it is silent on the question of whether a provider could offer more than one investment option (while presumably selecting only one that would serve as the default investment). We urge Treasury to confirm that a provider is permitted to offer a menu of multiple investment options from which an account beneficiary can choose, provided that each option meets the definition of Eligible Investment (e.g., a small-cap fund and a large-cap fund).

E. Holdings in Cash

The statute provides that Trump Accounts may not be invested in any asset that is not an Eligible Investment. However, we believe this should not prohibit short-term holdings in cash, for example when a contribution is initially deposited into the account. For transactions involving broker dealers, deposits to an IRA typically are made into a cash account (i.e., a settlement account), which is then moved to the investment(s) selected by the account owner. Likewise, for Trump Accounts, contributions may need to be held initially in a cash vehicle before they are allocated to an Eligible Investment. Treasury should confirm that such temporary cash holdings are permitted.

III. Reporting

While many of the general IRA rules apply to Trump Accounts, these accounts have certain unique reporting requirements for both general reporting (presumably annual) and reporting of

[8] *See supra*, note 4 and accompanying text.

rollovers. We describe below several aspects of the reporting regime that Treasury and IRS should address, with the goal of creating a streamlined administrable framework.

A. General Reporting Requirements

With respect to the regular reporting obligations, the statute specifies certain information that must be included in reports, but leaves most details open for Treasury to interpret. For administrative efficiency, we recommend that Treasury align Trump Account reporting (including time and manner of reporting) as closely as possible with existing IRA or 529 plan reporting requirements.

Our key questions and recommendations include the following:

Reporting of Basis: The requirement to report “the investment in the contract with respect to such account” raises questions, particularly since many IRA providers do not currently track basis. We recommend that Treasury align this requirement as much as possible with the requirements for reporting and tracking basis with respect to IRAs. For example, for non-deductible IRA contributions, the IRA owner files Form 8606 with their tax return, to report any nondeductible contributions made to a traditional IRAs for that tax year. It is the IRA owner’s responsibility to track the basis in the IRA over time. Similarly, Treasury could instruct the Trump Account provider to report information similar to Form 8606 for the year of the contribution, thereby providing the Trump Account beneficiary the information needed to track the basis over the life of the account.

Notably, the special reporting rules for Trump Accounts apply only until the beneficiary turns age 17, after which IRA reporting rules take effect. Treasury should confirm that any requirement for the Trump Account custodian to report or track basis ends at this transition.

Contribution Source Reporting: The statute requires reports to include information about contributions, including “the amount and source of any contribution in excess of $25 made from a person other than the Secretary, the account beneficiary, or the parent or legal guardian of the account beneficiary.” This implies that providers must identify not only the contributor but also their relationship to the beneficiary—a requirement not present for 529 plans or IRAs. Treasury should clarify expectations and consider administrative feasibility.

Additional Matters: Reports must include “such other matters as the Secretary may require.” We urge Treasury not to impose additional requirements beyond those listed in the statute or currently required for IRA reporting on Form 5498. In fact, Trump Account reporting could be significantly streamlined from the Form 5498, as there are no Roth contributions or required minimum distributions (RMDs), and only a narrow category of investments is permitted.

B. Rollover Reporting Requirements

The Act includes a special reporting requirement that qualified rollover contributions must be reported within 30 days of the rollover. We understand that the intent of this requirement is to ensure that each individual has only one Trump Account at a time and that Treasury can track all accounts for purposes of allocating general funding contributions. Treasury should streamline the rollover reporting process as much as possible, given the short 30-day timeline for reporting. It will be important to clarify any obligations with respect to reporting the basis when a Trump Account is rolled over from one provider to another.

C. Time for Implementation of Reporting

We understand that it will take time for IRS to develop new forms. Given that reporting will be required for 2026, with contributions possibly permitted as of July 2026, this will not allow much time for providers' implementation for the first year of reporting. To properly implement new reporting systems, providers need adequate time to build or modify their systems, forms, and procedures. For both general and rollover reporting, we recommend that Treasury provide maximum flexibility and adopt a good faith compliance standard, at least for the first year of reporting.

IV. Contributions to Trump Accounts

Contributions to Trump Accounts may come from four general sources:

1) individuals (up to $5,000 annually, indexed),
2) employers,
3) government entities and tax-exempt organizations (501(c) organizations) as general funding contributions, and
4) the federal government, as part of the pilot program, for children born between 2025 and 2028.

As discussed below, we have several questions regarding employer contributions and general funding contributions. These clarifications are key to enabling employers and other potential contributors to have a meaningful impact on outcomes.

A. Employer Contributions

Employers may contribute to the Trump Accounts of their employees (if the employee is under age 18) or their employees' children (if the employee has a dependent under age 18). Contributions may be treated as a non-taxable benefit in amounts up to $2,500 (adjusted for inflation) per employee. Employer contributions must be made pursuant to a Trump Account contribution program (a separate written plan of the employer), which must meet certain requirements similar to those of dependent care assistance programs (DCAPs). Employer contributions are not taxable income to the employee or the employee's child, but will be taxed on distribution.

Our key questions and recommendations include the following:

Annual Limit: Employer contributions appear to count toward the $5,000 annual contribution limit.[9] If this is the case, Treasury should confirm that employers are not responsible for ensuring that total contributions to an account do not exceed this limit, as coordination with other contributors would not be feasible. Employers will have no way of knowing what other contributions may have been made to the employees' (or employees' children's) Trump Accounts. The employee will be in the best position to ensure compliance with the limit.[10] Alternatively, if Treasury believes that Congress did not intend for employer contributions to count toward the $5,000 limit, Treasury should clarify this or consider working with Congress on a technical correction to reflect Congress's intent.

Allocation Flexibility: The $2,500 limit appears to apply per employee, not per child (where the employee has multiple children under age 18). Treasury should permit employers flexibility in setting plan rules to allocate contributions among multiple children (including allowing the employee to decide).

In addition, it would be helpful if Treasury confirmed the following points:

- When applying the nondiscriminatory classification test (cross referenced in the Act to the DCAP statute), the plan may exclude from consideration employees who haven't attained age 21 and completed one year of service, as well as certain collectively bargained employees.
- Contributions are deductible for employers.
- The $2,500 is an annual limit, not a lifetime limit.
- An employer may contribute more than $2,500 if the excess is included in the employee's gross income for the year (up to $5,000 per year (indexed), if employer contributions do in fact count toward the $5,000 annual contribution limit).
- If the child and the parent both work for employers that have a plan in place, both employers could contribute to child's account (provided that the total contribution does not exceed the $5,000 limit if applicable). Similarly, if the parent has more than one employer, each employer may contribute up to $2,500 (subject to the aggregate limit if applicable).

It would also be helpful to address the following questions:

- Can an employer structure contributions as a match? Are salary deferrals allowed?

---

[9] Code section 530A(c)(2) provides that the aggregate amount of contributions, other than "exempt contributions," may not exceed $5,000 per year. The term "exempt contribution" does not include employer contributions.

[10] With respect to contributions generally, the parent or guardian should be responsible for ensuring that contributions do not exceed the $5,000 (indexed) annual limit.

- To make contributions, the employer must have a written plan. What are the specific requirements for the written plan document? Will this be an ERISA plan?
- How can employers substantiate that employees or their dependents are eligible to receive contributions for the year, and that the receiving account is indeed a Trump Account?
- What are the permitted methods for performing nondiscrimination testing and correcting testing failures?
- Are employers permitted to recoup erroneous contributions and if so, how?
- Will the Form W-2 or its instructions be revised to provide for the required statement of contributions made by the employer?

B. General Funding Contributions

"General funding contributions" of an unlimited amount (and not counting toward the $5,000 limit) can be made to Trump Accounts by certain government entities and nonprofits, through Treasury. Pursuant to the Act, it appears that the entity providing the general contribution specifies a total amount it will contribute and a qualified class of beneficiaries to whom the general contribution is to be distributed. Treasury must allocate the general contributions equally to all eligible children in the "Qualified Class." The Act creates three categories of Qualified Class:

i. All account beneficiaries who have not attained the age of 18 before the close of the calendar year in which the contribution is made.

ii. All account beneficiaries who have not attained the age of 18 before the close of the calendar year in which the contribution is made and who reside in one or more States or other qualified geographic areas[11] specified by the terms of the general funding contribution.

iii. All account beneficiaries who have not attained the age of 18 before the close of the calendar year in which the contribution is made and who were born in one or more calendar years specified by the terms of the general funding contribution.

The Act leaves open several questions regarding how categories (i), (ii) and (iii) should be applied. Guidance on these issues would be helpful.

[11] Code section 530A(f)(3)(B) defines the term "qualified geographic area" as any geographic area in which not less than 5,000 account beneficiaries reside and which is designated by the Secretary as a qualified geographic area under this subparagraph.

- It is unclear whether the categories are mutually exclusive or could be combined. For example, could a non-profit contribute to all children who were born in a specific geographic area in a given year?
- Can additional conditions be placed (other than year of birth or qualified geographic area) to receive a contribution (e.g., only those who maintain a certain grade point average or achieve specified letter grades; only those who "graduate" from an elementary or middle school in the state)?
- Does the requirement of at least 5,000 account beneficiaries (contained in the definition of qualified geographic area) only apply to category (ii)?
- Under the Act, Treasury must designate an area as a qualified geographic area. Will Treasury approve areas on a case-by-case basis at the time an entity makes the contribution, or will Treasury publish guidance in advance that lists qualified geographic areas? Will Treasury need to approve each Qualified Class specified by an entity before it approves a qualified general contribution?

General funding contributions are a novel concept that raises several logistical issues. It appears that general funding contributions will be made to Treasury by donor organizations and that Treasury (rather than the donor) will allocate the contributions proportionally to members of the Qualified Class. Clarity on this is important because donor organizations should not be in the position of opening accounts on behalf of beneficiaries or identifying eligible beneficiaries in the Qualified Class. It also will be necessary for Treasury to indicate how it will handle situations where a member of a Qualified Class, for which a general funding contribution has been made, does not have an existing Trump Account. Treasury should specify that in order to receive the contribution from Treasury, the beneficiary's parent or guardian must establish a Trump Account through whatever channels ultimately are determined to be available (if the beneficiary does not have an existing account).

V. Rollover Accounts

Individuals may roll over amounts via direct trustee-to-trustee transfers from one Trump Account to another created for the same beneficiary (a "qualified rollover contribution"). The entire account must be rolled over.

It would be helpful for Treasury to confirm the following:

- There is no limit to how many rollovers an individual can make or how often accounts may be rolled over.
- Individuals may make direct contributions to the rollover account (after the rollover). The Act provides that the rollover account must be "funded by a qualified rollover contribution," which could be read to limit direct contributions. However, we do not believe Congress would have intended to limit direct contributions to rollover accounts. This is a critical point in need of clarification. If rollover accounts were restricted from direct contributions, we believe it would limit provider adoption of Trump Accounts.

> Further, it would seem to frustrate further savings of any individual who completed a rollover, given the understanding that Treasury intends for each individual to have no more than one Trump Account at a time.

Beyond setting standards for which providers can offer Trump Accounts and ensuring that each individual has no more than one Trump Account at any point in time, Treasury should not adopt any rule that has the effect of restricting or limiting the mobility of the accounts (i.e., the mechanics of the transfer). Once a Trump Account is established, the beneficiary should have the same portability rights (e.g., the mechanisms for transferring IRAs from one provider to another) that exist today with other account types.

In addition to Trump Account rollovers, Treasury also should consider ways to facilitate ABLE rollovers (a rollover of the entire Trump Account in a direct trustee-to-trustee transfer to an ABLE account for the beneficiary). ABLE rollovers are permitted only during the calendar year in which the beneficiary reaches age 17. Treasury should consider providing an ability to correct if someone were to miss this window (perhaps similar to the request for a waiver of the 60-day rollover requirement, if the account owner has an acceptable reason for missing the deadline, such as health issues or errors by the financial institution).[12]

VI. Transition to IRA Upon Attainment of Age 18

In the calendar year the Trump Account beneficiary attains age 18, the current rules for IRA distributions, including early distributions, as well as the contribution rules for traditional IRAs, generally will apply. One apparent exception is that under Code section 530A(h)(4), Trump Accounts must be treated separately from other IRAs for purposes of applying the rules of Code section 408(d)(2). In other words, Trump Accounts are not aggregated with other IRAs for purposes of determining the tax treatment of any distributions made during the taxable year. This raises important implications for the ongoing maintenance of Trump Accounts beginning in the calendar year in which the beneficiary reaches age 18. It is unclear if the Trump Account effectively becomes a traditional IRA at that time or maintains its character as a Trump Account. We believe that the account should become a traditional IRA.

In this regard, we request that Treasury clarify that the special rule for separate application of Code section 408(d)(2) applies only prior to the calendar year in which the account beneficiary attains age 18. In that case, a Trump Account would not be aggregated with a beneficiary's IRA if any distributions are taken from the IRA prior to the calendar year in which the beneficiary attains age 18. Beginning in the calendar year in which the beneficiary attains age 18, however, all of the same distribution rules would apply and Trump Accounts would require no special differentiation. This clarification would simplify the administration and maintenance of IRAs that originated as Trump Accounts and enable such accounts to be rolled over into other IRAs.

[12] Revenue Procedure 2020-46 provides twelve permissible reasons for which taxpayers may self-certify eligibility for a waiver of the 60-day deadline for an IRA distribution to be rolled into another IRA. Taxpayers also can apply for a private letter ruling (PLR) granting a waiver.

There appears to be no policy rationale for maintaining accounts as Trump Accounts after the beneficiary reaches age 18.

Assuming that a Trump Account becomes a traditional IRA in the year the account beneficiary attains age 18 (as we recommend), providers will need to determine the mechanics of the transition. In terms of timing, the statutory language would support the transition occurring as of January 1 of the year the beneficiary turns age 18. This will make it easier to track when the transition should occur, as all Trump Accounts for beneficiaries turning age 18 in a given year will transition to IRA status at the same time.

At that point, it appears that the account will be maintained as a "minor IRA" or "custodial IRA," where a parent or guardian manages the account until the beneficiary reaches the applicable age of majority. While the specific operational steps of the transition to IRA status remain to be determined (including any need for new custodial agreements), it would be helpful for Treasury to clearly specify any expectations for how such accounts must be maintained subsequent to the transition point.

VII. Cost Savings Measures

In light of Congressional intent to maintain low costs for Trump Accounts, Treasury should consider various cost-saving measures as it works to create rules for implementation. The regulatory framework for Trump Accounts should offer providers wide latitude to engage with clients as they deem appropriate, including the use of electronic communications.

VIII. Implementation Timing

The statutory provisions for Trump Accounts apply to taxable years beginning after December 31, 2025, and the statute provides that no contribution will be accepted before the date that is twelve months after the date of enactment (July 4, 2025). We understand that Treasury is working towards opening the program by July 2026. It would be helpful for Treasury to specify when it intends to launch (i.e., open and fund) the first batch of Trump Accounts. For example, does Treasury plan to have accounts ready to accept contributions in July 2026, or would the accounts be opened and funded at a later date, reflecting individuals' tax filings for 2026? Would there be different timing for accounts opened by Treasury and funded with $1,000 contributions under the pilot program versus accounts initiated by individuals (e.g., for children not eligible for the pilot program contributions)? Providers will need to anticipate the earliest date on which they could potentially receive rollovers, in order to appropriately allocate budgeting and resources for building out systems. Treasury could signal its intended timing in a news alert, FAQ, or other informal update.

Similarly, to assist providers in building an operational framework to support Trump Accounts, it would also be helpful for Treasury to provide an estimated timeline for the release of guidance on topics relevant to account adoption, operations, and reporting (e.g., regulations, IRS notices, new or updated information reporting forms, model plan documents).

Conclusion

ICI encourages Treasury and IRS to implement the Trump Accounts program in a manner that promotes competition, consumer choice, and operational efficiency. By allowing multiple providers and modeling trustee and custodian eligibility after existing IRA rules, Treasury can ensure the longevity and success of the Trump Accounts initiative, benefiting millions of Americans and setting a strong precedent for future financial programs.

Furthermore, as Treasury and IRS address the many open questions relating to Trump Account investments, contributions, rollovers, distributions and reporting obligations, we urge you to consider interpretations that will minimize administrative burdens for providers and reduce complexity for account beneficiaries and their families.

We appreciate Treasury's openness to stakeholder input and welcome the opportunity to discuss these recommendations further. Please let us know how we can assist in shaping a framework that promotes access, competition, and long-term success.

Sincerely,

/s/ Elena Barone Chism

Elena Barone Chism
Deputy General Counsel—Retirement Policy

/s/ Shannon Salinas

Shannon Salinas
Associate General Counsel—Retirement Policy

cc: Robert Daily
Catherine Hughes
Jonathan LaPlante