

IRS Issues Proposed Rules on $1,000 Pilot Program for Trump Accounts for Children

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On March 6, 2026, the U.S. Department of the Treasury and the IRS issued proposed rules regarding the $1,000 pilot program for Trump Accounts. Created by the One Big Beautiful Bill Act (OBBBA), Trump Accounts are a new type of tax-favored savings account for children under the age of 18 that will be available later in 2026.

Under the pilot program, children born between 2025 and 2028 may be eligible to receive a special $1,000 contribution to their Trump Accounts from the federal government if certain requirements are met. The proposed rules address how the IRS will make the one-time $1,000 pilot program contributions for eligible children.

Overview of Trump Accounts

Trump Accounts are a new type of traditional individual retirement account (IRA) established by authorized individuals for the benefit of eligible children. Contributions to Trump Accounts may start July 4, 2026, and can be made by anyone, including parents or guardians, grandparents, employers, philanthropic contributors or any other source.

Contributions are subject to an annual limit of $5,000 (subject to cost-of-living adjustments after 2027), although certain types of contributions are not counted toward this limit, such as the federal government's $1,000 pilot program contribution. The accounts are treated similarly to traditional IRAs for tax purposes, with special rules applying during a "growth period" that ends on Dec. 31 of the year before the calendar year in which the child reaches age 18.

Employers can contribute to the Trump Account of an employee or an employee's dependent pursuant to an Internal Revenue Code (Code) Section 128(c) Trump Account Contribution Program. These contributions are not includible in the employee's income for federal tax purposes. Contributions are limited to $2,500 per employee per year, subject to cost-of-living adjustments after 2027. This program must be established pursuant to a written plan document and meet certain tax rules that apply to dependent care assistance programs regarding discrimination, eligibility, notifications and benefits.

Pilot Program for $1,000 Contributions

For an eligible child to receive a $1,000 pilot program contribution, an election must be filed by an individual, typically a parent or guardian, who anticipates the child will be their qualifying child under Code Section 152(c) for the year during which the election is made. The parent (or other individual who qualifies to make the election) must also establish a Trump Account for the child. Taxpayers will use a new IRS form (Form 4547, Trump Account Election(s)) to establish Trump Accounts for eligible children. This same form is used to make an election to participate in the federal government's $1,000 pilot program.

Under the proposed rules, an authorized individual can make an election for a $1,000 pilot program contribution to be made to the Trump Account for a child who:

- Is anticipated to be the qualifying child of the authorized individual for the year in which the election is made;
- Is born after Dec. 31, 2024, and before Jan. 1, 2029;
- Has not had a prior pilot program contribution election processed for them;
- Is a U.S. citizen; and
- Has a Social Security number.

For additional information on who is a qualifying child under Code Section 152(c), potential pilot program-electing individuals (including parents, foster parents and other relatives) can look to IRS Publication 501, Dependents, Standard Deduction, and Filing Information.

The proposed rules would establish a broad election period for the pilot program, beginning on the day that a child becomes eligible and ending on Dec. 31 of the calendar year in which the eligible child reaches age 17. A pilot program election could be made any time during the proposed election period, including when the pilot program-electing individual files their federal income tax return. The pilot program election, however, is not a part of any individual's tax return and must be done separately using Form 4547.

According to the IRS, the pilot program contribution will be made as soon as practicable after the election is made and the IRS can confirm that the initial Trump account has been opened. However, no pilot program contribution will be deposited in the Trump account of a child earlier than July 4, 2026.

More Information

For more information on Trump Accounts, visit trumpaccounts.gov. and see Form 4547 instructions.

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