

IRM PROCEDURAL UPDATE

DATE: 02/09/2026

NUMBER: 26U0215

SUBJECT: Adding Trump Accounts to Individual Retirement Arrangements

AFFECTED IRM(s)/SUBSECTION(s): 21.6.5

CHANGE(s):

IRM 21.6.5.1.7 Added caution for submitting Form e-911 due to TAS policy change.

(1) For help working Individual Retirement Arrangements (IRA), Coverdell Education Savings Accounts (ESA), Archer Medical Savings Accounts (MSA) and Health Savings Accounts (HSA) cases you may need to refer to:

- Pub 560, Retirement Plans for Small Business (SEP, SIMPLE, and Qualified Plans)
- Pub 575, Pension and Annuity Income
- Pub 590-A, Contributions to Individual Retirement Arrangements (IRAs)
- Pub 590-B, Distributions from Individual Retirement Arrangements (IRAs)
- Pub 907, Tax Highlights for Persons with Disabilities
- Pub 969, Health Savings Accounts and Other Tax-Favored Health Plans
- Pub 970, Tax Benefits for Education
- Pub 976, Disaster Relief

(2) The Taxpayer Advocate Service is an independent organization within the Internal Revenue Service (IRS), led by the National Taxpayer Advocate, that helps taxpayers and protects taxpayer rights. TAS offers free help to taxpayers when a tax problem is causing a financial difficulty, when they've tried and been unable to resolve their issue with the IRS, or when they believe an IRS system, process, or procedure just isn't working as it should. TAS strives to ensure that every taxpayer is treated fairly and knows and understands their rights under the Taxpayer Bill of Rights. TAS has at least one taxpayer advocate office located in every state, the District of Columbia, and Puerto Rico.

(3) The TBOR lists rights that already existed in the tax code, putting them in simple language and grouping them into 10 fundamental rights. Employees are responsible for being familiar with and acting in accord with taxpayer rights. See IRC 7803(a)(3), Execution of Duties in Accord with Taxpayer Rights. For more information about the TBOR, see Taxpayer Bill of Rights.

(4) Follow procedures in IRM 13.1.7.3, TAS Case Criteria, to determine if taxpayers or cases should be referred to the Taxpayer Advocate Service (TAS), when you cannot resolve the taxpayer's issue the same day. The definition of "same day" is within 24 hours. **Same day** cases include cases you can completely resolve in 24 hours as well as cases in which you have taken steps within 24 hours to begin resolving the taxpayer's issue. Refer to IRM 13.1.7.5, Same Day Resolution by Operations. Do not refer these cases to TAS unless they meet TAS criteria and the taxpayer asks for transfer to TAS. When referring cases to TAS, use Form 911 / Form e-911, Request for Taxpayer Advocate Service Assistance (and Application for Taxpayer Assistance Order), and forward to TAS per your local procedures.

Caution: Beginning January 5, 2026 and continuing through May 31, 2026, TAS referrals cannot be submitted through the AMS e-911 process during this period.

IRM 21.6.5.4.11 Added new subsection which renumbered subsequent subsections. New subsection contains general overview information about Trump accounts.

(1) The One Big Beautiful Bill Act (OBBBA), signed into law on July 4, 2025, establishes Trump accounts, a new type of traditional individual retirement account (IRA) for the exclusive benefit of an eligible individual (referred to as the account beneficiary after the Trump account is established).

(2) An IRA includes a custodial account that is treated as a trust pursuant to section 408(h). Accordingly, a Trump account may either be a trust under section 408(a) or a custodial account under section 408(h) but may not be an individual retirement annuity under section 408(b).

(3) An election to establish a Trump account for an eligible individual may be made on Form 4547, Trump Account Election(s), any time before January 1st of the calendar year in which the individual turns 18. An election for an eligible child to receive a \$1,000 pilot program contribution from the U.S. Treasury to the child's Trump account may also be made on Form 4547. There are separate criteria to be an eligible individual for a Trump account and an eligible child for a pilot program contribution. Refer to IRM 21.6.5.4.11.1, Who Is Eligible for a Trump Account and IRM 21.6.5.4.11.2, Trump Account Contributions. An individual who submits a Form 4547 must be authorized. For more information about who is authorized to submit a Trump account election and/or pilot program contribution election, refer to Instructions for Form 4547, Trump Account Election(s).

(4) Form 4547 may be e-filed or paper filed with an original tax return, submitted as a loose form, or submitted through the online application on trumpaccounts.gov.

Note: Form 4547 cannot be filed with an amended return.

(5) A Trump account is subject to special rules during the growth period of the account beneficiary, which starts on the date the Trump account is established and ends on December 31st of the year in which the child turns 17.

Example: A child born on October 1, 2025, turns 18 on October 1, 2043. The last day of the growth period for this child is December 31, 2042.

(6) The special rules applicable during the growth period include (list is not all inclusive):

- Funds in a Trump account can only be invested in eligible investments (as described in section 530A(b)(3)).
- A Trump account has a separate contribution limit from other IRAs. Refer to IRM 21.6.5.4.11.2, Trump Account Contributions.
- Distributions are generally not allowed during the growth period. Refer to IRM 21.6.5.4.11.3, Trump Account Distribution and Contribution Information Forms.
- Individuals may not deduct contributions to a Trump account.
- Trustees of Trump accounts have different reporting requirements than trustees of other IRAs. Refer to IRM 21.6.5.4.11.3, Trump Account Distribution and Contribution Information Forms.

(7) After the growth period ends, most special rules no longer apply. Accordingly, when the growth period ends, the rules that apply to traditional IRAs generally apply to Trump accounts. After the growth period, Trump accounts may be rolled over to an IRA, or another eligible retirement plan, for the benefit of the account beneficiary. However, some special rules continue apply to Trump accounts after the growth period.

(8) Pursuant to section 530A(h), an account initially established as a Trump account can never:

- Receive contributions under an employer's section 408(k) SEP arrangement or section 408(p) SIMPLE IRA plan.
- Be aggregated with other IRAs when allocating basis related to a distribution from either the Trump account or other IRAs.

IRM 21.6.5.4.11.1 Added new subsection for Trump account eligibility information.

(1) Generally, under section 530A(b)(2), an election can be made to establish an initial Trump account for an individual if the individual:

- Is under age 18 at the end of the year in which the election is made (for an election in 2026, the child must have been born after December 31, 2008).

- Has a Social Security Number (SSN) that is valid for work and issued before the election is made.
- Has not had a Trump account election filed on their behalf by the Secretary.

For more information, refer to Instructions for Form 4547, Trump Account Election(s).

IRM 21.6.5.4.11.2 Added new subsection for Trump account contribution information.

(1) During the growth period, five types of contributions can be made to a Trump account:

- A \$1,000 federal pilot program contribution from the U.S. Treasury under section 6434
- Qualified general contributions under section 530A(f)
- Qualified rollover contributions under section 530A(e)
- Section 128 employer contributions under section 128
- Other contributions (such as from individuals like the child, parents, etc.)

Note: No contributions can be made before July 4, 2026.

(2) Contributions made to a Trump account are not considered to be income for the account beneficiary during the growth period.

(3) Pilot program contributions, qualified general contributions, and qualified rollover contributions are not subject to an annual contribution limit.

(4) Section 128 employer contributions and other contributions are limited to a combined total \$5,000 annual limit (indexed after 2027) during the growth period.

(5) **Pilot Program Contributions** - Pursuant to section 6434, An election for an eligible child to receive a \$1,000 pilot program contribution to the child's Trump account may be submitted on Form 4547, Trump Account Election(s), by an individual who anticipates the child will be his or her qualifying child for the tax year in which the election is made. Refer to Instructions for Form 4547, Trump Account Election(s) for information on who is authorized to make the election. An eligible child for purposes of the Trump accounts contribution pilot program is a child who:

- Is expected by the individual making the election to be their qualifying child for the year in which the election is made (see Pub 501, Dependents, Standard Deduction, and Filing Information, for further information regarding qualifying child status).
- Is born after December 31, 2024, and before January 1, 2029.
- Has not had a prior pilot program contribution election processed for them.

- Is a U.S. citizen.
- Has a valid SSN.

A pilot program contribution is payable exclusively as a refund directly to the Trump account established for the eligible child and is not subject to offset or crediting.

(6) **Qualified General Contributions** - Under section 530A(f), States (or political subdivisions thereof), the United States, the District of Columbia, Indian tribal governments, or section 501(c)(3) organizations may make general funding contributions, which will fund qualified general contributions for qualified classes of account beneficiaries (as described in section 530A(f)(3)). All account beneficiaries in the qualified class must be in the growth period when the contribution is made and may also be required to meet residence or birth year requirements if any are specified in the general funding contribution.

(7) **Qualified Rollover Contributions** - Under section 530A(b)(1)(A)(i), only the Secretary may create or organize the initial Trump account for an eligible individual, if an election is made. However, under section 530A(b)(1)(A)(ii), after an initial Trump account is established, a rollover Trump account may be established for an account beneficiary, which must initially be funded by a qualified rollover contribution, which is a trustee-to-trustee transfer of the entire account balance from the existing Trump account as provided under 530A(e). Only one funded Trump account may exist at any time. After the qualified rollover contribution is made to a rollover Trump account, the prior Trump account may no longer accept new contributions.

(8) **Section 128 Employer Contributions** - Under section 128, employers may exclude from an employee's income up to \$2,500 annually (indexed after 2027) contributed to the Trump account of an employee or of an employee's dependent(s). The \$2,500 limit applies per employee, not per dependent.

(9) **Other Contributions** - Under section 530A(c)(2), contributions from the account beneficiary, their parents, or any other person, may not exceed a combined \$5,000 annual limit. The \$5,000 annual limit must also include all section 128 employer contributions made to the account beneficiary's Trump account.

IRM 21.6.5.4.11.3 Added new subsection for Trump account distribution and contribution reporting information.

(1) During the growth period the only distributions permitted under section 530A(d) are:

- Qualified rollover contributions to a rollover Trump account (trustee-to-trustee transfer of the entire account balance).

- Qualified ABLE rollover contributions made to the ABLE account of the account beneficiary during the calendar year in which the account beneficiary turns 17 (trustee-to-trustee transfer of the entire account balance).
- Distributions of excess contributions.
- Distributions upon the death of the account beneficiary.

(2) The trustee may not close the account or distribute funds for any reason not listed above. Funds may not be withdrawn during the growth period. After the growth period, traditional IRA withdrawal rules generally apply, including the 10% additional tax under section 72(t) on early distributions.

(3) If the account beneficiary dies during the growth period, the account ceases to be a Trump account and an IRA as of the date of death. The account is treated as if all assets were distributed on that date.

(4) Annual reporting under section 530A(i)(1) is required during the growth period. Trustees must report (list is not all inclusive):

- The amount and source of contributions (including source information for contributions over \$25 made by any person other the beneficiary or the beneficiary's parent or legal guardian).
- Distributions, including qualified rollover contributions.
- The fair market value of the account.
- Basis with respect to the account.
- The total contributions for the year for each type of contribution.

Trustees also have reporting requirements related to qualified rollover contributions, see section 530A(i)(2).

(5) After the growth period, the reporting requirements of section 408(i) apply.

(6) For any calendar year, a Trump account is never subject to reporting under both sections 408(i) and 530A(i).

IRM 21.6.5.4.12.9.1 Changed paragraph 2 to say excise tax they were charged, instead of 50% excise tax since there were years the percentage was lower. Added to the table in paragraph 6 to leave a case note if no adjustment is input.

(1) An internal IRAFWAIVER transcript generates on CII to notify the campus that a manual review of the excess accumulation tax reported on Form 5329, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts, Part IX, Additional Tax on Excess Accumulation in Qualified Retirement Plans (Including IRAs), is needed. Cases

are generated under MFT 29 with Category **IRRQ**, and Case Notes state **MF Transcript IRAFWAIVER case received**.

(2) Taxpayers may request a waiver of the excise tax they were charged by attaching an explanation that the excess accumulation was due to a reasonable error and they took reasonable steps to remedy the situation.

Note: Refer to Pub 590-A, Contributions to Individual Retirement Arrangements (IRAs), and Pub 590-B, Distributions from Individual Retirement Arrangements (IRAs), for more information on waiver requests.

(3) An IRA Condition Code 35 indicates a waiver request of tax on excess accumulations on a qualified retirement plan is present. If the IRA Condition Code 35 is present, review the waiver request to determine whether a waiver can be granted.

(4) IRA Condition Code 35 is visible on CC RTVUE, with definer RY or RZ (indicating two Forms 5329 are present). IRA Condition Code 35 converts to Computer Condition Code (CCC) X and is visible on the MFT 29 account on CC IMFOLR.

(5) For an electronically filed return, review Modernized e-File (MeF) Return Request Display (RRD) for the waiver explanation. For a paper filed return, request the return from Files to review the waiver request attached to the return. If unable to retrieve the return from files, send the taxpayer Letter 1803C, IRA/Retirement Plan Inquiry, requesting a copy of Form 5329 and waiver explanation.

(6) If the explanation indicates the excess accumulation was due to a reasonable error and they took reasonable steps to remedy the situation, waive the excess tax. Use the following procedures after reviewing the excess accumulation tax and waiver request:

If	Then
An adjustment is necessary	Adjust following procedures in IRM 21.6.5.4.12.7, Individual Retirement Account File (IRAF) Tax Adjustments.
No adjustment is necessary	<ol style="list-style-type: none">1. Leave a Case Note on CII with the reason the account is not being adjusted. If the waiver is being denied, indicate the reason for the denial.2. Send the taxpayer Letter 1803C, IRA/Retirement Plan Inquiry, explaining why the waiver is denied.3. Refile any paper Forms 1040.