



How Employers Can Contribute to the Success of Trump Accounts

Executive Summary

- **Trump Accounts are live.** Federal contributions of \$1,000 are available for children born 2025–2028, with philanthropic funders seeding accounts for older children. Most eligible families still don't know they exist.
- **Employers reach working parents where government and philanthropy cannot.** Employers already own the channels, including email, payroll, and benefits communications, that make participation easy.
- **Four ways to support, at four levels of commitment.** Spread the word at no cost, enable pre-tax contributions, contribute up to \$2,500 per employee tax-free, or extend into local schools and communities.
- **Early movers gain a differentiated benefit.** With about 59 employers announced so far, early adopters still stand out. Contributions can be made at modest per-employee cost, with real recruiting and retention value.
- **The near-term ask is small.** Contact your benefits provider, adopt a written plan if contributing, and communicate during this plan year.



What is a Trump Account?

A Trump Account is a Traditional IRA with some special rules



- Distributions are generally not permitted before the year a child turns 18, parents/guardians can also not withdraw
- Investments must track the performance of a broad, diversified index composed primarily of U.S. equities
- Governments and nonprofits can fund contributions to beneficiaries in a qualified class of at least 5,000 recipients through U.S. Treasury (e.g., birth year, geography)
- Direct contributions from individuals are after-tax and create basis
- US citizens born between 2025-2028 are eligible for \$1,000 federal pilot contribution
 - US citizens born between 2016 and 2024 are eligible for \$250 philanthropic contribution from Michael and Susan Dell Philanthropies
 - Other philanthropic funders (e.g., Micron, Brad Gerstner, the Dalio family) are planning statewide contributions with their own eligibility criteria
- Employer pre-tax contributions, including employee salary reduction contributions, up to \$2,500 per employee

Four Ways Employers Can Support

1

Spread Word of Trump Accounts

Educate employees on what Trump Accounts are and how to open one

2

Allow Employees to Make Pre-tax Contributions

Employees can contribute to a dependent's Trump Account pre-tax via employers Section 125 cafeteria plans

3

Contribute to Accounts for Employee Dependents

Employers can contribute up to \$2,500/year, tax-free, per employee, toward Trump Accounts of employees and their dependents

4

Contribute to Accounts of a Local Community or School

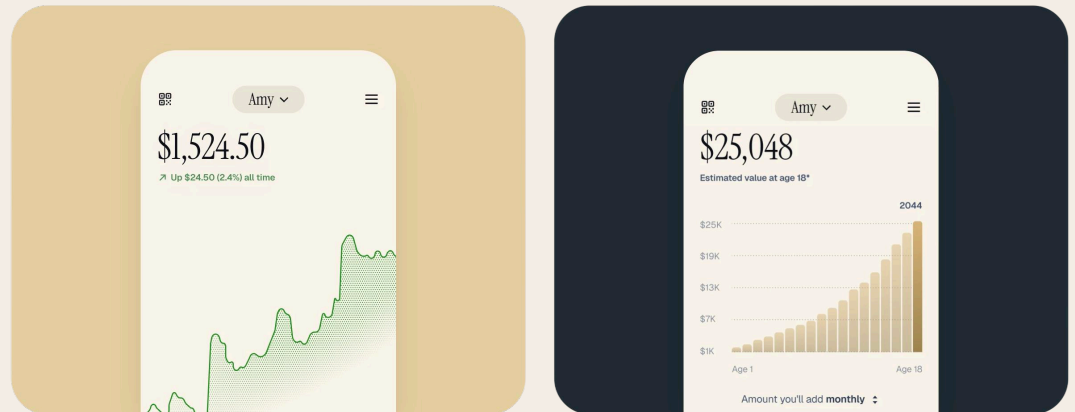
Employers can explore broader community give-back programs (e.g., partnering with local schools) as part of Corporate Social Responsibility efforts

1

Spread Word of Trump Accounts

Employers have a unique opportunity to share Trump Accounts

Employers are often the most trusted and accessible channel for reaching parents about new benefits. Many employees won't otherwise learn that Trump Accounts exist or that their children already qualify.



Two key ways to spread the word:

- 1. Educate employees on eligibility and mechanics via company intranet or email →** Explain what Trump accounts are, who qualifies, and how contributions work
- 2. Equip HR business partners to answer employee questions →** Share one pager FAQs with front line employees to ensure they get consistent answers

Allow Employees to Make Pre-tax Contributions

A benefit that costs nothing to offer

Pre-tax payroll deferrals are one of the most cost-effective ways employers can help families save. They require no employer contribution, yet increase the value of every dollar an employee sets aside.

Two key ways to enable pre-tax contributions:

1. **Amend Section 125 cafeteria plan to permit Trump Account Elections** → Proposed IRS rules allow salary reduction contributions to an employee's dependent's account
2. **Fold election into existing enrollment infrastructure** → Treat Trump Accounts like any other pre-tax election so employees enroll through existing benefits and payroll systems, and contributions are routed automatically



Contribute to Accounts for Employee Dependents

Invest alongside employees

A contribution is what converts awareness into participation. Nearly 60 employers have already announced programs, enough to show the model works, but early enough that adopters still get outsized recruiting and retention value for a modest per-employee cost.

Three key ways to structure a match:

- 1. Decide how you want to contribute** → Match the federal \$1,000 for children born 2025–2028, offer a smaller flat amount to all dependents, or make it a flex-benefit election — employers have full discretion over the contribution amount, up to \$2,500 per employee per year
- 2. Adopt a separate written plan** → Required for the tax exclusion. It must specify eligibility, contribution amounts, how employees designate accounts, and notice and correction procedures
- 3. Know what you are responsible for** → Employers collect employees Unique Employer Contribution ID and verify dependent eligibility

59

Businesses announced
contributions *

90

Companies, foundations, donors
and states contributing *

\$1.5B

Invested across
accounts *

7M

Children enrolled *

Contribute to Accounts of a Local Community or School

Extend the benefit beyond the workforce

Employers can seed Trump Accounts for children in the communities where they operate (e.g., reaching families who may have no employer-sponsored benefits at all). Schools and community organizations offer a ready-made pathway to the children who would benefit most.

Three key ways to invest in the community:

1. **Adopt a local school or district** → Partner with a school your company already supports to contribute to accounts for a grade, class, or entire school
2. **Work through a community organization** → Team with a nonprofit already serving local families to identify eligible children and build a repeatable contribution pathway
3. **Match employee-directed giving** → Extend your matching gift program so employees can direct contributions to a school or community they care about



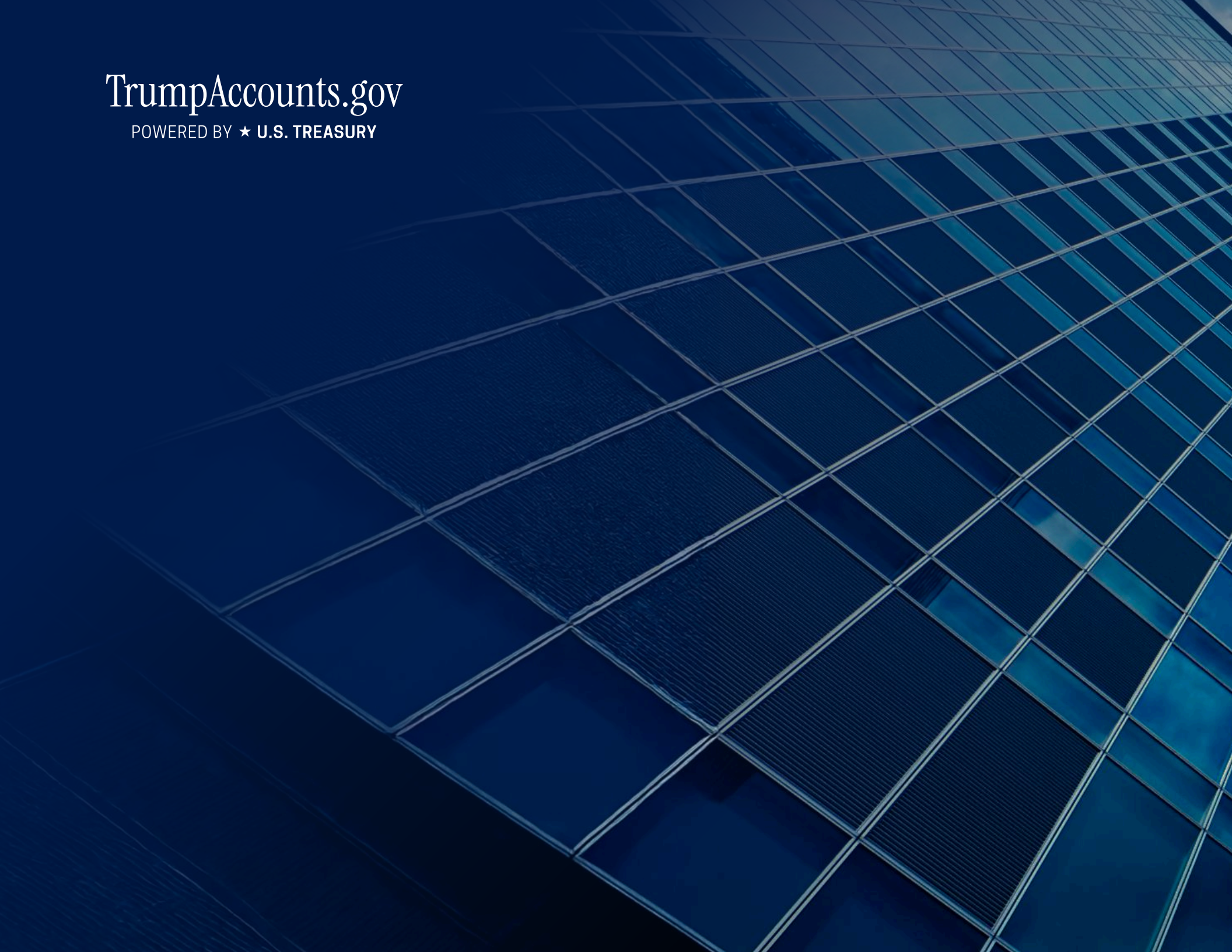


Next Steps

Treasury intends for employer contribution programs to be operational within this benefits year

- HR employees should contact current benefits or payroll provider to understand timeline
- Establish a written plan
- To learn more and stay up to date
TrumpAccountsEmployerContributions@bny.com





TrumpAccounts.gov

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