



**FIONA MA, CPA**  
TREASURER  
STATE OF CALIFORNIA

May 6, 2026

Secretary Scott Bessent  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue NW  
Washington, DC 20220

Frank J. Bisignano  
Chief Executive Officer  
Internal Revenue Service  
1111 Constitution Avenue NW  
Washington, DC 20224

Dear Secretary Bessent and Mr. Bisignano:

In my capacity as Deputy Treasurer for the State of California overseeing programs that promote financial security and wealth-building for all, I write to you regarding implementation of Trump Accounts under Section 530A and the related proposed regulations. California wants every eligible child in our state to have access to a Trump Account, especially those eligible for the \$1,000 federal seed contribution. The Treasury and IRS should do everything possible to make these accounts simple to access, easy to understand, and capable of reaching families at scale.

California supports the goal of expanding wealth-building opportunities for children. To that end, we hope to offer observations from our successful administration of various like-minded state savings programs. The success of Trump Accounts will depend not only on the initial federal contribution, but on whether the program is designed to reach eligible families broadly and with minimal friction. A program of this kind will work best if enrollment is straightforward and the child's interest remains central.

California respectfully recommends the following:

**Automatic Enrollment**

- **Make automatic account creation and automatic access to the \$1,000 pilot contribution the central implementation objective.** Evidence in children's savings programs and retirement savings programs proves automatic enrollment is the most reliable way to reach families broadly and equitably. This is critical because the \$1,000 pilot contribution is likely to be the single largest contribution

many eligible children ever receive. If a child misses the contribution because no adult completed a form, missed a deadline, or did not understand that a separate election was required, the program will have failed before launch. Treasury should prioritize automatic account creation as a fundamental design aspect of Trump Accounts and continue working toward a structure under which the Secretary can open the initial account and facilitate pilot funding immediately. A child's account can be created and funded first, while Treasury establishes a later process for identifying the proper responsible party, reviewing claims, and resolving disputes without delaying the delivery of benefits. If Treasury ultimately concludes a statutory fix is needed to complete a framework with auto enrollment, Treasury should address the need directly rather than allowing procedural complexity to prevent eligible children from receiving the program's pivotal contribution.

### **Data Sharing**

- **Provide states with aggregate participation reporting and continue to support coordination with existing state savings pathways.** Reporting and data about participation by state residents would significantly help states assess awareness and understand uptake, better coordinate public-facing information, and support financial education efforts. Sharing participation data would also enable states to administer philanthropic contributions distributed based on economic status, demographics, or geographic location.

### **Clarification of Participation Rules**

- **Align rules across the account-creation and pilot-contribution provisions to avoid participation gaps and missed wealth-building.** To prevent participation gaps and missed wealth-building opportunities, it's important to align the rules for account creation and pilot contributions. The criteria for who can act as the responsible party for opening the account and who can claim the \$1,000 pilot contribution should be simplified. This ensures that the individual authorized to act on behalf of the child in one scenario does not unintentionally lose or gain authority in the other. Establishing clear and coordinated rules will reduce confusion, limit opportunities for misuse, streamline processes, and make it easier for families and states to participate. Timely account creation and the prompt claiming of contributions are crucial to maximizing the time funds have to grow, ultimately giving the child the best chance for substantial investment potential.
- **Clarify and simplify ABLE rollovers while protecting eligibility for public benefits.** Current law contemplates converting a Trump Account to an ABLE account during the calendar year the beneficiary turns 17. However, additional provisions are necessary to best support families of children with disabilities. Treasury should provide clear guidance on rollovers, simplify the conversion process, and clarify the advantages of both account types. Families managing multiple adulthood-transition issues may easily miss the rollover window, so Treasury should allow parents to designate rollovers well in advance of the age-

17 calendar year, automating the conversion to the extent permitted by law. Additionally, there is uncertainty whether Trump Accounts will be excluded from income and asset limits for means-tested benefit programs like Supplemental Security Income (SSI). This uncertainty may deter families from enrolling, putting their benefits at risk – further disadvantaging children with disabilities. To address this, it is imperative Treasury explicitly exclude earnings and assets in Trump Accounts from all means tests for federal programs and provide clear guidance to families accordingly. By simplifying ABLE rollovers, allowing rollovers to be designated in advance, and excluding savings from means tests, Treasury can ensure that Trump Accounts are critical tools for families of children with disabilities.

- **Establish a clear pathway for children who do not have an eligible parent or guardian available to act on their behalf.** The current statutory framework may leave out some of the children who are most in need of the benefits of a Trump Account, including children who are wards of the state or otherwise lack an eligible legal guardian. Treasury should establish a process for opening the account and securing the \$1,000 pilot contribution for these children upon notification from the entity responsible for them so they are not excluded by family-status rules they cannot control.
- **Adopt clear and consistent national standards for dispute resolution, account control, and provider oversight.** Questions about who may open an account, who may control it during a child’s minority, how improper elections are corrected, and how competing claims are resolved should not be left to state or courtroom battles, nor to the discretion of a disputed authorized party. It is essential for children with Trump Accounts to have clear and universal guidelines. Since these are federally created accounts funded primarily with federal dollars, they should be governed by clear and uniform standards that protect the intended child beneficiary, clearly articulated by the federal government. Treasury should also ensure strong and consistent oversight of account providers, including meaningful enforcement of fee and investment limits.

### **California Is Experienced and Prepared**

These recommendations are informed by California’s experience administering statewide savings programs. Most notably, CalKIDS has already automatically enrolled over 6 million children, uses public data sources to identify eligible children, and provides scholarship funds to help families begin saving for higher education and career training in tandem with our state’s 529 college savings plan. The California State Treasurer’s Office also oversees four other statewide savings programs that inform this work: ScholarShare 529, the HOPE for Children Trust Account Program, CalABLE, and CalSavers, California’s state auto-IRA program. Together, these five programs reflect the state’s broader Financial Security for All approach to building long-term savings pathways for Californians.

## **In Summary**

To ensure that Trump Accounts have the greatest positive impact on the nation, the final framework should include the following key elements:

1. Establish automatic account creation.
2. Ensure broad access to the \$1,000 pilot contribution through automatic claiming.
3. Distribute accurate participation data to the states.
4. Align ABLE transition guidelines with the realities faced by families with children who have disabilities.
5. Clarify participation rules, with a focus on practical solutions for children without eligible guardians.
6. Establish clear and consistent national rules for resolving disputes, managing accounts, and overseeing providers.

California appreciates the opportunity to provide these comments and stands ready to work with Treasury and IRS.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Tom". The signature is written in black ink and is positioned below the word "Sincerely,".

**Stephanie Tom**  
Deputy Treasurer, State of California