Letter from the Investment Company Institute

February 20, 2026

Internal Revenue Service
Attn: CC:PA:01:PR (Notice 2025-68)
Room 5503
P.O. Box 7604
Ben Franklin Station
Washington, DC 20044

Re: Comments on Notice 2025-68, Initial Guidance on Trump Accounts

To Whom It May Concern:

On behalf of the Investment Company Institute,[1] we appreciate the opportunity to provide input to the Treasury Department and the Internal Revenue Service (IRS) in response to IRS Notice 2025-68 (Notice of Intent to Issue Regulations with Respect to Section 530A Trump Accounts) (the "Notice"). The Notice provides initial guidance and requests comments on Trump Accounts. ICI has a strong interest in helping to make Trump Accounts a successful and enduring program and we support Treasury's efforts to ensure its success. We believe that Trump Accounts will foster a culture of investing among young people and recently announced that ICI will offer its employees a $1,000 contribution as a match to the federal $1,000 pilot program contribution.[2] ICI is proud to be one of the first organizations to join the broad and growing coalition supporting Trump Accounts.

ICI appreciates the timely and helpful guidance Treasury and IRS provided in the Notice. We particularly appreciate the initial guidance on several issues that ICI raised in our meeting with Treasury and IRS representatives held on August 19, 2025 and in our subsequent letter sent

[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 $43.8 trillion invested in funds registered under the US Investment Company Act of 1940, serving more than 125 million investors. Members manage an additional $10.4 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 Associate Members include service providers to member firms and CIT trust companies. ICI has offices in Washington DC, Brussels, and London.

[2] See ICI news release, dated January 14, 2026; available at https://www.ici.org/news-release/ici-announces-trump-account-matching-contribution. Also note that ICI offered early support for the accounts. See ICI news release, dated May 14, 2025; available at https://www.ici.org/news-release/25-new-maga-accounts.

on October 29, 2025 ("ICI's October Letter").[3] In this letter, we offer further recommendations intended to facilitate efficient implementation of Trump Accounts, ease administrative burdens, and maximize the benefits of these new accounts for beneficiaries.

Executive Summary

- A competitive marketplace for account trustees and custodians is key to the long-term success of the Trump Account program, as it will incentivize firms to devote needed resources to promotion and education regarding the accounts. Treasury should take steps to mitigate the competitive advantage that will be bestowed on the Treasury-selected trustee or custodian, including by using white-labeling and examining potential impediments to rolling over a Trump Account. An important element of ensuring that rollovers are unimpeded is requiring the initial trustee(s) selected by Treasury to use standard industry tools for servicing and administering Trump Accounts.

- We appreciate that the Notice refers to the existing rules for approved nonbank individual retirement account (IRA) trustees in identifying what entities can offer Trump Accounts. If Treasury considers changing the existing rules for nonbank trustees, as the Notice suggests, it should propose any such changes separately from forthcoming guidance on Trump Accounts.

- Treasury should facilitate the availability of rollovers to preferred providers by issuing sample language and model forms for Trump Accounts and by confirming the ability to modify and rely on existing approved IRA documents, as appropriate, until sample language and model forms are made available. Further, Treasury should consider allowing an account holder to roll over an unfunded Trump Account to their preferred custodian.

- It will be crucial for Treasury to ensure that all contributions paid through Treasury (pilot program contributions and qualified general contributions) are directed to a beneficiary's current, active Trump Account and to monitor compliance with the requirement that no more than one active Trump Account is open for a given individual.

- Treasury should provide trustees and custodians the flexibility to develop reasonable approaches for monitoring compliance with the annual contribution limit and for returning excess contributions, including the flexibility to determine which contributions

[3] See Letter from Elena Barone Chism, Deputy General Counsel, Retirement Policy and Shannon Salinas, Associate General Counsel, Retirement Policy, to Helen Morrison, Benefits Tax Counsel, Treasury Department (October 29, 2025); available at https://www.ici.org/sites/default/files/2025-10/25-cl-implementation-trump-accounts.pdf.

to return rather than prescribing a strict last-in-first-out approach. Treasury also should clarify the tax implications of returned contributions.

- In interpreting the statutory term “Eligible Investments,” Treasury should use its interpretive authority to broaden the universe of Eligible Investments as much as possible, rather than to shrink it. In this vein, Treasury should:
    - Make certain technical changes to the guidance on tracking the returns of an index in recognition of how funds currently track indexes.
    - Expand the Notice’s safe harbor for determining whether a qualified index is comprised of equity investments in “primarily” US companies by lowering the 90 percent threshold for US weighting. We believe a more appropriate interpretation of “primarily” in this context would be a “majority” of the index’s total equity exposure. This would provide investors with predominantly US equity exposure, while allowing additional diversification and exposure to international investment opportunities.
    - Further clarify the leverage restriction, as articulated in the Notice, to avoid unnecessary confusion.
    - Clarify the Notice’s articulation of the 10-basis point cap on annual fees and expenses.
    - Confirm that the Notice’s limited exception for holdings in cash covers amounts resulting from a disposition of an eligible investment made to facilitate distributions, rollovers, and the payment of otherwise permissible fees.
    - Provide for a safe harbor grace period if an Eligible Investment becomes ineligible, to dispose of the investment and invest in another Eligible Investment.
    - Allow the use of a “fund of funds” as an Eligible Investment, for a convenient and streamlined way to achieve greater diversification and reduce risk.
- Treasury should maximize the ability to use electronic filing of reports and electronic delivery for disclosures to responsible parties and account beneficiaries. It also should provide for a period of good faith compliance relief for implementing the statutory requirement for receiving trustees to report rollovers within 30 days.
- To enhance the utility of the option to automatically transfer a Trump Account balance to a traditional IRA after the Growth Period ends (i.e., pursuant to a provision in the written governing instrument), Treasury should clarify that the timing of such a transfer is flexible and could be done after the beneficiary reaches the age of majority. In addition, compliance relief from other regulators (e.g., FINRA) may be necessary to ensure that

an automatic transfer to an IRA complies with existing rules (e.g., suitability and Know Your Customer requirements).

- Employer contribution programs to Trump Accounts raise many questions on which guidance is needed. Treasury should:
    - Coordinate with the Department of Labor (DOL) to provide guidance confirming that Trump Accounts and Trump Account contribution programs are not subject to ERISA.
    - Clarify the application of the $2,500 annual limit on employer contributions made through a Trump Account contribution program.
    - Create safe harbors for meeting applicable nondiscrimination requirements in order to encourage employer contributions and decrease administrative hurdles.
    - Clarify the mechanics for making employer contributions to Trump Accounts, which are unlike plans run by an employer.
- Treasury should clarify that contributors to Trump Accounts can make use of the annual exclusion from the federal gift tax, as contributors can for contributions to 529 plans.

I. Establishment of Initial Accounts and Rollover Accounts

In the Notice, Treasury indicated that it will select one or more financial institutions as a financial agent to serve as the trustee(s) of the initial Trump Accounts. As of yet, Treasury has not announced the financial institution(s) and has released little information about the management of the initial Trump Accounts. Below we make recommendations and respond to certain questions in the Notice regarding the general framework for establishment and maintenance of Trump Accounts, particularly from the perspective of potential trustees of rollover accounts.

A. Minimize the Competitive Advantage of the Initial Trustee(s), for Example, by Using White-Labeling

As explained in ICI's October Letter, a competitive marketplace is key to the long-term success of the Trump Account program, as it will incentivize firms to devote needed resources to promotion and education regarding the accounts. It is therefore important to prioritize a robust and competitive marketplace for account trustees and custodians.

Given that, as indicated in the Notice, Treasury has decided against creating an open marketplace for initial Trump Accounts, we reiterate the request in ICI's October Letter that the website or other materials providing information about opening a Trump Account should not be branded in the name of the initial custodian. Instead, the website and other materials should be branded under the Treasury Department (or other US government entity) name. This treatment

is necessary in order to mitigate the resulting competitive advantage bestowed on the Treasury-selected trustee or custodian.[4] We appreciate that the initial government website with information on Trump Accounts (trumpaccounts.gov) follows this approach.

In addition to the branding of the website and other materials, Treasury should be cognizant of other ways the initial trustee(s) may be given an unfair competitive advantage which would limit marketplace competition. For example, if the initial trustee were to charge high fees (e.g., an account closure fee, a redemption fee or a transfer fee) for investors who elect to transfer their Trump Account to another provider, or to adopt any other policy that would create friction and limit the ability to roll out of the initial Trump Account, this could negatively affect the ability of providers to compete. Loyalty incentives offered by the initial trustee are another example of how an initial trustee could inappropriately use its status as a competitive advantage over other providers. Treasury should consider limiting the ability of the selected initial trustee(s) to employ such tactics.

Furthermore, it will be important to maximize interoperability of the Treasury-selected trustee or custodian with the asset managers, intermediaries, trustees, and record keepers who create, distribute, custody and service the mutual funds and ETFs that are identified as Eligible Investments. To do so, we strongly encourage Treasury to ensure the initial trustee use industry automation tools like those provided by the industry's utility, the Depository Trust & Clearance Corporation.[5] Support of standard tools, which provide investors with efficient and low-cost asset and servicing agent portability and servicing, will set the stage for timely development of the widely available, streamlined, efficient Trump Account rollover market that Treasury intends and investors deserve.

B. Current Requirements for Nonbank Trustees Are Working Well

ICI appreciates Treasury's initial guidance that it will provide broad eligibility rules regarding which entities can serve as trustees of rollover Trump Accounts. As suggested in ICI's October Letter, the Notice aligns the eligibility criteria for Trump Account trustees with the existing rules for IRAs.[6]

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[4] As we previously noted, 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.

[5] The Automated Customer Account Transfer Service (ACATS) automates and standardizes customer and asset transfer between brokerage and bank institutions. For registered funds, ACATS interfaces with Fund/SERV, which automates account creation, trading and settlement of mutual fund shares. Fund/SERV's ToRA (Transfer of Retirement Assets) supports rollovers between asset managers. Networking permits intermediaries to automate account set up, asset transfer, and supports reconciliation of activity and positions on the mutual fund system. Refer to dtcc.com for additional details.

[6] See page 4 of ICI's October Letter.

The Notice further indicates that Treasury and IRS are considering changes to the requirements for nonbank trustees. While the Notice requests comments on such potential changes, we recommend that any changes to the requirements for nonbank trustees should be proposed separately from any forthcoming guidance on Trump Accounts.[7] The guidance on Trump Account trustees should refer to the IRA rules, as described in the Notice.

Treasury staff have commented that the rules for nonbank trustees have not been updated for several years and have not kept up with changes in the market. We are unaware of any problems in the application of the rules for nonbank trustees that warrant changes. The fact that the rules have not been updated is not itself a reason to change requirements that are still working well. Changes to the requirements, even if they are simplifications, may create risk and burdens for existing IRA nonbank trustees and the US retirement ecosystem at large. It is difficult to provide any further comment without more detail on what specific changes Treasury is contemplating. While we do not have any changes to suggest in this regard, we would anticipate providing feedback on any proposed changes.

C. Clarify Issues Regarding the Establishment of Rollover Accounts

ICI's October Letter urged Treasury to allow individuals to select their preferred provider from the outset, rather than require individuals to first open an account through the Treasury. While Treasury did not adopt this approach, ICI does appreciate the Notice's confirmation that once an individual creates an initial account, they are free to transfer it over to a different provider and create a rollover Trump Account. Our understanding is that the purpose for this two-step approach is to ensure that Treasury is able to track an individual's account from inception.

a. Allow Rollover of Unfunded Trump Account

Treasury should consider permitting an account holder to roll over an unfunded Trump Account to another custodian (i.e., establish a rollover account with a $0 balance). For example, a family who uses a financial professional for all of their investments may feel more comfortable making their individual contributions through that familiar trusted relationship. We understand that the Notice requires that a rollover Trump Account must first be funded by a qualified rollover contribution, consistent with section 530A(b)(1)(A)(ii).[8] However, requiring the contribution of funds first to the initial trustee and a subsequent transfer of those funds to a secondary trustee appears to serve no purpose that would not also be served by an administrative rollover of an unfunded initial Trump Account to a secondary trustee. Opening the initial account through Treasury and rolling over the unfunded account accomplishes

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[7] For example, such changes could be proposed as part of Treasury's existing project, "Guidance on Rules Applicable to IRAs Under Sections 408 and 408A" (RIN: 1545-BL98), which was included on Treasury's Spring 2025 Unified Agenda of Regulatory and Deregulatory Actions.

[8] Section 530A(b)(1)(A(ii) indicates that an account not created by Treasury must be "funded by a qualified rollover contribution."

Treasury's goal of being able to track the movement of the Trump Account and ensure that only one Trump Account exists per beneficiary. While no assets would move in connection with this transaction, information would be exchanged between the trustees. The trustee of the transferring account would be notified that it should close the account and would provide the required report to the receiving trustee (in accordance with Q&A, F-4).

Absent this clarification, we recommend that Treasury require any initial Trump Account trustee to accept a standing instruction to transfer the account balance to a rollover Trump Account as soon as the initial account receives a deposit of the first contribution. We also ask Treasury to confirm that an initial Trump Account with a balance can be rolled over before receiving the federal pilot program contribution (if applicable) or any forthcoming general funding contribution from Treasury. This clarification would benefit account holders who want to move to a different provider without waiting an indefinite period of time for these contributions to be deposited.

b. Permit Trustees of Rollover Accounts to Use Model Language or Prototype Agreements

Treasury has indicated it will issue sample language for trustees of rollover accounts. Our members agree that sample language (as well as model forms) would be very helpful and Treasury should provide it.[9] Until sample language and model forms are issued, Treasury should confirm that rollover trustees can use existing IRA sample language or approved prototype documents, modified as appropriate to incorporate the special rules for Trump Accounts.

More specifically, Treasury should confirm that sponsors of prototype IRAs are permitted to use existing approved IRA documents (modifying them by adding language to incorporate Code section 530A requirements) to create new Trump Account documents, and can rely on a previously-issued favorable opinion letter with respect to those IRA documents.[10] This would leverage existing approved language and follows the process outlined in IRS Announcement 2022-6.[11] Treasury should also indicate whether it plans to have a program for approval of prototype Trump Account documents in the future.

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[9] We assume that, similar to Form 5305 (Traditional Individual Retirement Trust Account) and Form 5305-A, (Traditional Individual Retirement Custodial Account), trustees will be able to use the new model language without using a prototype or getting Treasury approval.

[10] We note that Q&A, A-8 of the Notice specifies that an existing account cannot be amended to become a Trump Account because the written governing instrument establishing a Trump Account must clearly designate the IRA as a Trump Account at the time of establishment. We do not interpret this guidance to limit the use (and modification) of an existing IRA prototype document to offer Trump Accounts, as long as the document designates that it is a Trump Account and it is treated as a new account by the individual opening the account.

[11] IRS Announcement 2022-6 announced the temporary suspension of the IRS prototype IRA opinion letter program and provided that, "[u]ntil further notice, adopters of prototype IRAs, SEPs, and SIMPLE IRA plans may

In addition to the sample language and model documents for trustees of rollover Trump Accounts, we encourage Treasury to provide model rollover forms. Section 324 of the SECURE 2.0 Act directed Treasury to develop and issue sample forms for plan-to-plan rollovers and IRA-to-IRA transfers. Likewise, Treasury should provide similar forms for Trump Account-to-Trump Account transfers.

c. Trustees of Rollover Accounts Should Not Be Responsible for Ensuring Only One Trump Account Exists Per Beneficiary

The system Treasury has described (all initial accounts must be opened through Treasury, and following a rollover, the transferring account must be closed) is designed to ensure that an individual will have only one Trump Account at any time.[12] Treasury should confirm that a rollover Trump Account trustee or custodian has no obligation to confirm that the account beneficiary has only one Trump Account; and that Treasury will monitor the one-Trump Account-per-individual rule. Rollover Trump Account trustees would have no mechanism for identifying whether individuals hold Trump Accounts at other institutions.

D. Ensure That Contributions Paid Through Treasury Reach the Rollover Trump Account

The Notice provides that once a rollover account is opened with a qualified rollover contribution, the initial account "must be closed within a reasonable period of time." Clarification would be helpful to address concerns related to the deposit of contributions that are paid through Treasury (pilot program contributions and qualified general contributions),[13] as well as trailing dividends.

We understand that Treasury plans to track the "location" of individuals' accounts through reporting. Treasury's financial agent(s) will open all initial Trump Accounts, and Treasury will be notified through reporting whenever a Trump Account is transferred to a different provider. However, when there is a rollover or transfer, there will be a lag in information, as rollovers must be reported within thirty days of the rollover or transfer. ICI members are concerned about the ability of qualified general contributions to "follow" the individual to the rollover account, when payment of the contribution is made while the account transfer is in process or

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continue to rely on a previously received favorable opinion letter, and sponsors of prototype IRAs, SEPs, and SIMPLE IRA plans are permitted to amend their documents to reflect recent legislation without affecting that reliance."

[12] We understand this requirement to mean that only one *funded* account can be open at a time.

[13] The Notice provides that qualified general contributions will be transferred by Treasury (or its agent) to the trustee.

before reporting to Treasury has been completed. This concern also applies with respect to the pilot program contributions.[14]

Treasury should confirm that Treasury (or its agent) is the responsible party for ensuring that these contributions make it to the individual's rollover account. Treasury should confirm that when a rollover account has been created, Treasury will ensure that any unpaid pilot program contribution or qualified general contribution will be paid directly by Treasury to the custodian of the current, active rollover Trump Account, irrespective of whether the administrative process to close the transferring Trump Account has been completed.

This is also a concern with respect to trailing dividends, since the Notice requires closure of the initial account following the rollover or transfer (although the Notice confirms that transferring a trailing dividend is treated as part of the initial transfer). For firms that use ACATS, the trailing dividend can follow the initial transfer automatically. However, firms that do not use ACATS will likely need to temporarily utilize a form of "soft close" on the account until the dividends are paid and transferred. In other words, the transferring account would liquidate and deactivate the account, so it would no longer accept any further contributions. However, the account technically would remain open for a certain period, solely for purposes of acting as a conduit for trailing dividends. Treasury should ensure that any guidance it issues does not preclude this method of handling trailing dividends.

II. Monitoring the Contribution Limit and Handling Excess Contributions

The statute permits several types of contributions to be made to Trump Accounts and sets a $5,000 (indexed) annual limit on contributions (though certain contribution types are exempt from the limit).[15] It includes provisions regarding the tax on excess contributions, in the event contributions exceed the annual limit.[16] The Notice addresses both of these issues.

A. Provide Flexibility in How to Ensure Compliance with the Contribution Limit

The Notice provides that contributions from individuals and from employers are subject to the $5,000 annual contribution limit and that trustees are responsible for ensuring compliance with this limit. The Notice specifies that the trustee must have procedures in place to prevent a contribution from being accepted by a Trump Account if the contribution would cause the

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[14] We understand that Treasury's expectation is that Authorized Individuals will use the Form 4547 to make the election to establish an initial Trump Account, and at the same time, if the child is eligible, to make an election for a $1,000 pilot program contribution. However, there may be circumstances in which these elections are not made simultaneously. Further, there may be lag time between opening of the initial account and the payment of the pilot program contribution (for example, if Treasury makes these payments in batches at set times).

[15] Code section 530A(c)(2).

[16] Code sections 530A(d)(5) and 530A(h)(5).

annual limit to be exceeded. This standard will be very difficult to meet in practice. First, we note that the parent or guardian will be in the best position to ensure that contributions do not exceed the limit. Contributions may be received from several different sources—from parents, friends, relatives, and employers. In addition, the President recently announced that VISA will let account holders use cash back rewards to make contributions directly into Trump Accounts.[17] With contributions coming from multiple contributors and different avenues to contribute, it will be difficult for trustees to prevent excess contributions on the front end. Even with procedures in place, custodians will most likely end up employing a "belts and suspenders" approach to monitoring by running back-end reports and returning excess contributions.

The Notice indicates that Treasury is considering rules that would permit trustees to receive contributions into a general account and then transfer to the Trump Account that portion of the contribution that would not cause aggregate contributions to exceed the limit. Under this approach, any excess amounts would be returned to the contributor and never result in a violation that would trigger the rules for distributing (and taxing) excess contributions. While we understand and appreciate the intent behind this proposed solution, several of our member companies have indicated that other applicable regulations may prohibit them from commingling customer funds and require that such funds be safeguarded separately from firm accounts. Other member companies have noted that this approach would be operationally impractical, given the significant burden associated with recording and preserving the precise time of receipt for contributions deposited into a general account, as well as the challenges involved in identifying, reconciling, and returning excess contributions. We believe it is necessary to further explore other compliance solutions.

In the likely event of excess contributions, there are complex considerations associated with how to correct due to the range of different contribution sources. Managing the contribution limit for Trump Accounts presents a level of complexity not found in any other type of IRA product. We encourage Treasury to provide trustees and custodians the flexibility to develop reasonable approaches for returning excess contributions, and avoid being unduly punitive. For example, in some cases, a last-in-first-out approach to returning excess contributions may not be optimal for beneficiaries. Trustees may want to adopt procedures that prioritize retaining certain contributions, such as pre-tax employer contributions (to allow the account holder to receive the benefit provided by the employer). Similarly, it may be helpful to prioritize keeping contributions from non-parent/guardian individuals, or to prioritize contributions made through the VISA reward program (or a similar granting entity), since these types of contributions may not be easily returned. For these reasons, we recommend that Treasury provide maximum flexibility in how trustees handle excess contributions, including allowing excess contributions to be accepted into a Trump Account, as long as there is a procedure for determining and

[17] While we are not familiar with the details of VISA's program for Trump Account contributions, typically, rewards of this type take weeks to process, so there will likely be a lag between when the individual redeems their points and requests the reward, and when the trustee is notified and the check is mailed.

distributing excess contributions no later than the applicable tax filing deadline (as provided in sections 530A(d)(5) and 530A(h)(5)).

B. Treasury Should Clarify Tax Implications of Returned Contributions

The statutory language also lacks clarity on the tax treatment of excess contributions (and related earnings). Under existing IRA rules, as long as corrective distributions of excess contributions and related earnings are distributed before the due date of the IRA owner's tax return, the returned contribution is treated as if it never occurred. Earnings on the excess contribution are taxable in the year of the contribution, but the 10 percent tax on early distributions does not apply (and the 6 percent excise tax on excess contributions does not apply).[18]

For Trump Accounts, the statute specifies that distributions of excess contributions are not included in gross income of the account beneficiary. Treasury should clarify whether contributions returned to contributors other than the beneficiary would be included in the contributor's income (generally, only the earnings would be included (if returned), because most returned contributions to individuals would be after tax amounts). The penalty tax on excess contributions under section 530A(d)(5)(C) (which should only apply to excess contributions that remain in the account after the contributor's tax filing deadline) is increased by 100 percent of the earnings; however, it is unclear how this 100 percent tax should be applied in practice and how it would be reported. In light of the complexities of the various contributions and inability to determine if an excess exists until year-end, we ask for clear guidance in this area with an aim to eliminate administrative burdens for both the Trump Account custodians and contributing employers.

III. Eligible Investments

As we stated in ICI's October Letter, 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. Below we make recommendations and respond to questions raised in the Notice regarding the guidance on Eligible Investments. Our comments are intended to

[18] Section 333 of the SECURE 2.0 Act provides a new exception from the early distribution penalty tax for distributions of excess contributions to an IRA (and any earnings on such contributions), distributed pursuant to Code section 408(d)(4) (Contributions returned before due date of return). Although the statutory language on Trump Account excess contributions (Code section 530A(d)(5) and (h)(5)) does not specify whether this exception extends to such corrective distributions, or whether earnings are required to be distributed, to the extent they are, we strongly believe this relief applies and is in line with Congressional intent. Accordingly, to the extent applicable, Treasury should confirm that this exception applies.

ensure clarity and provide an appropriate level of flexibility in offering Trump Account investments that will meet the needs of investors.

More broadly we note that as policymakers and market participants evaluate the scope of "eligible investments" for Trump Accounts, ICI members share a common objective: ensuring the program functions as a durable, education-oriented, and long-term savings vehicle for young investors. Within that context, some stakeholders have suggested Treasury consider whether a thoughtfully broadened investment menu, subject to strong guardrails, could enhance long-term investment outcomes. This could include evaluating additional asset classes and investment strategies beyond domestic equity index funds. Ultimately, the focus remains on encouraging early engagement in investing, reinforcing prudent savings behavior, and positioning Trump Accounts as a forward-looking vehicle that supports long-term financial security.

A. Modify the Definition of ETF

The Notice requested comments regarding the definition of ETF in Q&A D-1. We recommend minor modifications to the definition, as noted below:

> For purposes of section 530A(b)(3), an ETF must be registered under the 1940 Act and must be either an "exchange-traded fund" as defined for purposes of the 1940 Act in 17 C.F.R. § 270.6c-11(a)(1) or an entity that operates in substantially the same manner as such a fund but that is not described in 17 C.F.R. § 270.6c-11(a)(1) ~~because the entity is not a registered open-end management company~~ (for example, a unit investment trust **or ETF share class of a mutual fund** operating under ~~an~~ exemptive ~~order~~ **relief** granted by the Securities and Exchange Commission).

Our recommended modifications would accommodate ETF share classes. The Securities and Exchange Commission has recently expanded the number of issuers permitted to offer ETF share classes.[19]

B. Make Technical Changes to the Guidance on Tracking the Returns of an Index

Eligible Investments must track the returns of a "qualified index." To be a "qualified index" under the statute, the index must be either (i) the S&P 500 stock market index or (ii) any other index comprised of equity investments in primarily US companies and for which regulated futures contracts are traded on a qualified board or exchange. The Notice provides guidance about what it means to track the returns of an index in Q&A D-2.

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[19] For example, the Securities and Exchange Commission has issued a Multi-Class ETF exemptive order to DFA Investment Dimensions Group Inc., et al., Rel. No. 35786, File No. 812-15484 (Nov. 17, 2025); available at https://www.sec.gov/files/rules/ic/2025/ic-35786.pdf.

We generally support the guidance and recommend only a few technical changes. First, it is important to recognize that an index fund ***seeks to*** track the performance of its chosen index—actual index fund performance can deviate from index performance for some of the reasons that the Notice provides (e.g., fees and expenses). We recommend inserting this italicized term throughout the guidance where appropriate. Second, an index fund does not always hold *all* the stocks included in its chosen index, as the guidance suggests. In some cases, an index fund may choose *not* to hold certain stocks in an index (e.g., due to concerns about trading costs or liquidity) and still closely track the index's returns. We therefore recommend deleting "all" (or replacing it with "most or all") in the second sentence. Third, we recommend deleting the highlighted phrase in the following sentence: "A fund also is not considered to track the returns of the index if the fund uses any strategy to ***outperform or*** perform differently from the index." (Emphasis added.) The highlighted phrase is redundant because the phrase that follows—"perform differently"—is broad enough to capture it. Finally, we recommend revising the following sentence: "For example, a fund that increases or decreases its exposure to some index constituents ***based on the judgment of advisors*** does not track the returns of the index." (Emphasis added.) We recommend replacing the highlighted phrase with the following: "to seek total fund returns significantly different from those of the index…." Advisers to all index funds exercise *some* discretion in managing the fund's portfolio (e.g., in timing purchases and sales and seeking to minimize trading costs), and these discretionary actions are entirely consistent with seeking to track the index's performance. This guidance should not suggest that Eligible Investments are or must be devoid of adviser judgment or discretion.

C. Expand the Safe Harbor Regarding Whether a Qualified Index Is Comprised of Equity Investments in Primarily US Companies

As explained above, by statute Eligible Investments must track the returns of a "qualified index." The Notice includes a safe harbor rule under which an index will be treated as comprised of "primarily" US companies if US companies represent at least 90 percent of the index based on their index weighting.

We support the concept of a safe harbor with a clear numerical minimum, but we believe that 90 percent is too high and results in an unduly narrow range of qualified indexes and investments. ICI's October Letter recommended that Treasury define "primarily" to mean a majority of the index's total equity exposure.[20] This continues to be our view. Treasury's adoption of our proposed definition would be consistent with the statutory language. It also would be a prudent policy choice. Permitting investments in a broad array of US and non-US

[20] Precedent exists to define the term this way. Rule 22e-4 (the liquidity risk management program rule) under the Investment Company Act requires mutual funds and ETFs to determine and manage in accordance with a highly liquid investment minimum, unless the fund "primarily" holds highly liquid investments. In related guidance, the SEC stated, "In our view, if a fund held less than 50% of its assets in highly liquid investments it would be unlikely to qualify as 'primarily' holding assets that are highly liquid investments." Investment Company Liquidity Risk Management Programs, SEC Release Nos. 33- 10233; IC- 32315 (Oct. 13, 2016), at n.726.

issuers allows account holders to diversify their investment exposures and therefore better manage risk and seek growth opportunities across markets. For instance, we believe that an index fund tracking the MSCI World Index—which as of December 31, 2025 has a US weighting of 71.9 percent—should qualify as an Eligible Investment. Consistent with the statute's language and intent, this type of index fund still would provide investors with predominantly US equity exposure, while still providing some exposure to international investment opportunities.

D. Further Clarify the Definition of What Is Considered "Leverage"

Eligible Investments are not permitted to use leverage. The Notice considers a fund to use prohibited leverage if "as a result of the fund's use of borrowings, derivatives, or other strategies that are economically equivalent to borrowings, a percentage change in the level of an index tends to cause a materially greater percentage change in the value of the fund's portfolio." We appreciate the intent of this proposed standard—to limit the impact of borrowings and economically equivalent investments on a fund—but as drafted, the standard would introduce an unnecessary and subjective restriction that will lead to confusion.

The standard is unnecessary because all Eligible Investments already must track a qualified index that has an investment objective "to provide investment results that, before fees and expenses, replicate the performance of the index."[21] These eligible index funds cannot seek to outperform an index and, thus, would not use borrowings and economically equivalent investments to seek to achieve outsized portfolio returns compared to the index.

The standard also is confusing, as it bases eligibility on subjective terms, such as whether the use of borrowings or economically equivalent investments "tends" to cause a fund's performance to "materially" vary from its underlying index. At times, index funds may use such instruments to gain efficient exposure to only a portion of the underlying index without obtaining exposure to every single stock of the index, reducing costs for the fund and its investors. This common practice, if assessed in isolation, may lead to variations in the performance of the instruments and, correspondingly, the portfolio as compared to the performance of the underlying index as a whole. On occasion, these variations could be larger than expected, and questions could arise as to whether the instruments tend to cause material differences from the index.

Rather than imposing the proposed standard, the Notice should clarify that it considers a fund to use prohibited leverage only if its use of borrowings (or their equivalents) in their totality is inconsistent with the fund's investment objective of seeking to track the returns of a qualified

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[21] See Notice at Q&A, D-2. The eligible index funds must also hold investments that are reasonably expected to accomplish that objective. Id. See also SEC Investor.gov, Glossary (defining the term "index fund" as a fund that is "designed to achieve approximately the same return as a particular index before fees."); available at https://www.investor.gov/introduction-investing/investing-basics/glossary/index-fund.

index. Doing so would achieve a similar result and restrict objectionable practices without creating any corresponding confusion.[22]

ICI strongly supports the helpful guidance that a fund is not considered to use leverage merely because the fund borrows for other purposes or because it enters into derivatives as part of its strategy to replicate the performance of an index. This guidance will enable funds that serve as Eligible Investments to operate flexibly and is consistent with our recommended approach on prohibited leverage.

E. Clarify Notice Language Regarding Limit on Investment Fees and Expenses

By statute, Eligible Investments cannot have annual fees and expenses of more than 0.1 percent of the balance of the investment in the fund (i.e., 10 basis points). ICI's October Letter recommended that the cap on investment fees should not preclude an account level fee, such as a custodial fee. We appreciate the Notice's clarification that the 10-basis point cap on annual fees and expenses include fees charged by the fund directly to the investor and are listed in the fund's prospectus and that amounts paid to a broker or intermediary, not specified or imposed by the fund, are not subject to the cap. We note, however, that the articulation of the fee limitation in Q&A D-4 of the Notice conflicts slightly with the statutory language. More specifically, the Notice indicates that a fund will satisfy the fee limitation if the sum of its annual fees and expenses "is *less than 0.1%* of the value of the fund's net assets" (emphasis added). We request that Treasury correct or otherwise clarify that the limit is "no more than 0.1 percent" of the value of net assets.

F. Further Clarify the Limited Exception for Holdings in Cash

During the Growth Period, Trump Accounts may only be invested in Eligible Investments. ICI's October Letter suggested that this restriction should not prohibit short-term holdings in cash, for example when a contribution is initially deposited into the account. We appreciate the helpful clarification in the Notice that the trustee's procedures may provide "an amount received as a contribution, a dividend or other distribution from an eligible investment, or an amount received as a result of a disposition (such as sale) of an eligible investment, to be held in cash for the time reasonably necessary to complete the investment of the amount in an eligible investment."[23] In addition, it would be helpful to clarify that this includes amounts resulting from a disposition of an eligible investment made to facilitate distributions, rollovers, and the payment of otherwise permissible fees. It would also be helpful to further clarify that a

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[22] If Treasury determines to retain something closer to its proposed standard, we strongly recommend that it change the reference to "a percentage change in the level of an index" to "a percentage in the level of the index it seeks to track" to clearly specify which index it is referring to.

[23] Q&A, D-8, on page 28 of the Notice.

sweep account (bank deposit sweep or brokerage sweep) can be used to facilitate money movement into or out of the Trump Account.

G. Provide a Safe Harbor Grace Period in the Event That Investments Become Ineligible

The Notice provides that a trustee must have procedures in place to monitor and enforce the Eligible Investment requirements, including reasonable ongoing monitoring regarding whether a Trump Account investment continues to be an Eligible Investment. Treasury and IRS request comments on potential safe harbor procedures regarding the ongoing evaluation as well as on the handling of ineligible investments.

We appreciate that Treasury's initial guidance for ongoing monitoring and enforcement of the Eligible Investment requirements does not include overly prescriptive rules. It should be sufficient to simply require trustees to maintain policies and procedures that establish reasonable ongoing monitoring and that describe how the trustee will determine investment ineligibility. Depending on the final guidance, determining whether a fund meets all necessary requirements (e.g., whether the fund uses leverage or tracks a qualified index) may not be apparent from a review of publicly available fund disclosures.

While it may prove to be rare that an Eligible Investment becomes ineligible, it would be helpful to have a safe harbor grace period for selling or otherwise disposing of the investment and investing the proceeds in another Eligible Investment. We expect that some trustees may decide to offer only one Eligible Investment. In that situation, reinvesting assets will require the trustee to evaluate other investment options to find a replacement, and complete the negotiations and administrative steps that will be required to offer that fund, particularly if the trustee is not also an asset management firm. Further, the trustee likely would want to notify the responsible party for the account. We recommend that Treasury and IRS provide for a 120-day grace period, from the time the loss of "Eligible Investment" status is discovered by the trustee, to reinvest the amounts into an Eligible Investment. Further, a longer period such as 120 days may provide enough time for the fund's eligibility status to return depending on the reason it became ineligible in the first place (e.g. due to market conditions).

Any further guidance should not preclude trustees from including a provision in the governing instrument that would grant the trustee limited discretion to sell investments in funds that have become ineligible and invest the proceeds into the trustee's default investment or into a new Eligible Investment selected by the responsible party.

H. A Fund of Funds Should Qualify as an Eligible Investment

The statute sets forth specific criteria for Eligible Investments, and the Notice seeks to clarify some of the key statutory terms. The Notice also states that "[t]rustees may permit funds in a Trump [A]ccount to be invested in multiple eligible investments."

The statute and Notice are both clear that mutual funds and ETFs can qualify as Eligible Investments, but both are silent regarding whether "funds of funds" (i.e., funds that invest in other funds) could qualify. The omission is notable, given their increasing popularity and utility as investment vehicles. The SEC has recognized that "[r]etail investors…use fund of funds arrangements as a convenient way to allocate and diversify their investments through a single, professionally managed portfolio. … a fund of funds may provide an investor with the same benefits as separate direct investments in several underlying funds, without the increased monitoring and recordkeeping that could accompany investments in each underlying fund."[24]

We request that Treasury clarify that funds of funds would qualify as Eligible Investments if they satisfy the following three conditions.[25] First, the acquiring fund (i.e., the fund of funds) must be a mutual fund or ETF (including an ETF share class of a mutual fund). Second, each underlying fund in which an acquiring fund invests must be a mutual fund or ETF (including an ETF share class of a mutual fund); track the returns of a qualified index; and refrain from using prohibited leverage.[26] Third, the total fees and expenses—including both the weighted fees and expenses of the underlying funds and any fees and expenses charged directly by the acquiring fund—would be no more than 0.1 percent of the balance of the investment in the fund.

We believe that guidance to this effect would be consistent with the letter and spirit of the statute and Notice. Assuming compliance with the three conditions outlined above, funds of funds would comfortably fit within the established framework. From an investment perspective, funds of funds would simply be a more convenient and streamlined way to achieve greater diversification and reduce risk, by using compliant underlying funds as portfolio "building blocks" (e.g., a fund of funds could invest in low-cost large cap, mid cap, and small cap US equity index funds). Functionally, we see no difference between allowing "all-in-one" funds of funds as outlined above and permitting accounts to hold multiple Eligible Investments, as the Notice does.

IV. Distributions

Generally, withdrawals are not permitted during the Growth Period; however, the following types of distributions are permitted: (1) qualified rollover contributions, (2) qualified ABLE

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[24] *Fund of Funds Arrangements*, SEC Release Nos. 33-10871; IC-34045 (Oct. 7, 2020) at 4; available at www.sec.gov/files/rules/final/2020/33-10871.pdf.

[25] These conditions would be further qualified by any final applicable Treasury guidance (e.g., how it defines terms like "leverage").

[26] If the acquiring fund were to invest directly in anything other than other funds, it too must directly satisfy these conditions.

rollover contributions, (3) removal of excess contributions, or (4) upon the death of the account beneficiary.

The Notice requested comments regarding the applicability of withholding for distributions made during the Growth Period. Generally, the rules should follow the existing rules for IRAs with respect to withholding (for example, whether to collect a W-4R (Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions)). Aligning the rules as much as possible will simplify administration, because IRA custodians are already familiar with those rules. One exception where a special rule for Trump Accounts would reduce unnecessary complexity relates to excess contributions. Treasury should provide special relief for withholding on distributions subject to the 100 percent tax on net income attributable to excess contributions (i.e., for excess amounts distributed after the tax filing deadline). For these distributions, either no withholding or 100 percent withholding should be permitted.

V. Reporting

The statute includes special reporting requirements that apply during the Growth Period. The Notice indicates that Treasury will issue forms and instructions for trustees' annual reporting, and that the requirements for disclosures to account beneficiaries will be similar to the rules for IRAs under Treas. Reg. section 1.408-6.

A. Permit Electronic Delivery of Reports and Disclosures

In other letters, we have touted the benefits of electronic delivery, including the fact that plan participants who engage with the plan's website tend to be more engaged participants and have higher balances.[27] Trump Accounts seem particularly well suited for electronic delivery. One major goal of Trump Accounts is to provide financial education, and receiving notices and information electronically is more likely to cause the individual to interact with the account website, where they will find additional tools and information. The accounts are intended to be low cost, and electronic delivery is one way to keep costs down. Further, the Administration

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[27] See letter from David M. Abbey, Deputy General Counsel and Shannon Salinas, Assistant General Counsel, Retirement Policy, ICI, to Office of Regulations and Interpretations, EBSA (November 22, 2019); available at https://www.ici.org/doc-server/pdf%3A32062a.pdf (in response to Department's 2019 proposed e-delivery safe harbor and accompanying RFI). Also see Peter Swire and DeBrae Kennedy-Mayo, 2018 Update to Delivering ERISA Disclosure for Defined Contribution Plans: Why the Time Has Come to Prefer Electronic Delivery; available at https://peterswire.net/wpcontent/uploads/2018-Update-to-Delivering-ERISADisclosure-for-DC-Plans-002.pdf. Also see letter from Elena Barone Chism, Deputy General Counsel and Shannon Salinas, Associate General Counsel, Retirement Policy, ICI, to Office of Regulations and Interpretations, Employee Benefits Security Administration, Department of Labor (May 22, 2024), available at https://www.ici.org/letters/24-cl-responseeffectiveness-retirement-plans, in response to a joint agency Request for Information issued by the Department, Treasury, and the Pension Benefit Guaranty Corporation (PBGC) to solicit public input to develop a record as they review the effectiveness of existing reporting and disclosure requirements for retirement plans, as required by the SECURE 2.0 Act.

has made several comments regarding its intent to harness technology, for example by promoting the use of an app for both monitoring the investment and making contributions. For these reasons, Treasury should provide that disclosures to responsible parties and account beneficiaries, including delivery of plan documents and statements, can be sent electronically as the default. Of course, paper copies of documents would always be available upon request.

ICI also strongly supports electronic filing of the required reporting between an account custodian and Treasury.

B. Provide Good Faith Compliance Relief for 30-Day Reporting of Qualified Rollover Contributions

The statute requires that transfers and rollovers must be reported to Treasury within 30 days, reported electronically by the receiving trustee. We recognize that under the planned framework, a short reporting time is needed to ensure that qualified general contributions, directed by Treasury, are sent to the child's current account. However, building out methods for this reporting requirement will take time. It would be helpful for Treasury to provide non-enforcement relief for firms acting in good faith, until 2027, while the operational issues are worked out.

VI. Coordination with IRA Rules

The Notice confirms that, after the Growth Period, a Trump Account will continue to be a Trump Account, although the special rules for Trump Accounts generally cease to apply, and the rules governing traditional IRAs apply. The Notice confirms that after the Growth Period, distributions from a Trump Account are subject to the IRA distribution rules under Section 408(a), except where special rules continue to apply.

A. Provide More Flexible Timing for Application of an Automatic Transfer Contract Provision

The Notice provides that the written governing instrument of a Trump Account may provide that, immediately after the Growth Period, all of the assets of the Trump Account will be transferred to a traditional IRA for the account beneficiary. Treasury should confirm that the governing instrument could provide that such an automatic transfer could occur at a later time after the end of the Growth Period to ensure the account beneficiary (now IRA owner) is no longer a minor under state law (e.g., when the beneficiary turns age 18 or 19, depending on the age of majority in the beneficiary's state of residence; or December 31 of the year in which the beneficiary reaches age 18 or 19). While some of our member firms have indicated that they would be unable to incorporate such an automatic transfer provision into their account agreements, for those who elect to use this approach, it would be more useful to initiate the transfer to an IRA after the child reaches the age of majority rather than at the end of the Growth Period.

B. Coordinate with Other Federal Agencies to Provide Compliance Relief

Flexibility in the account opening process for Trump Accounts (including for rollover Trump Accounts) is crucial, and we urge Treasury to work with other federal agencies to address any Know Your Customer (KYC) and Anti-Money Laundering (AML) rule concerns, including by allowing any needed information to be gathered at a later date (e.g., at the time of distribution or transfer to a traditional IRA). For new rollover Trump Accounts, there may not be sufficient commercially available data with which to verify the beneficiary's identity. Additionally, customer identity data that may have been previously verified by the transferring trustee may differ at the time of rollover (e.g. address or surname). Receiving trustees should be allowed to rely on the KYC data received as part of the rollover process for a period of time adequate to conduct their own customer verification procedures. Additionally, under current FINRA rules, broker-dealers must use reasonable diligence to understand and retain essential facts about every customer.[28] In the case of an automatic transfer from a Trump Account to an IRA after the growth period, the trustee will have some of the relevant information (name, social security number, and age), but not all. Some of the other information known to the trustee at the time of the transfer may relate to the Authorized Individual on the Trump Account rather than the account beneficiary; some information may be out of date; and some information may be missing. While trustees would likely try to obtain the necessary information, the automatic transfer concept will not work without some flexibility.

In the context of automatic IRAs opened after mandatory cashouts from employer plans, in 2005 FINRA issued a letter[29] providing that automatic IRAs can be opened (1) without the express authorization of the account holder (the plan participant) and (2) with only limited information about the account holder. To the extent that firms determine to use an automatic transfer approach, similar relief would be useful to address the automatic creation of an IRA pursuant to an automatic transfer provision in a Trump Account agreement. This relief also would be useful more broadly, beyond the post-growth period automatic transfer context. We urge Treasury to work with the other relevant federal agencies to expedite this guidance.

VII. Section 128 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. The Notice included several clarifications, including that a Trump Account Contribution Program may be offered via salary reduction under a section 125

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[28] FINRA rule 2090.

[29] See letter from FINRA to Tamara Salmon, dated March 17, 2005; available at https://www.finra.org/rules-guidance/guidance/interpretive-letters/tamara-k-salmon-investment-company-institute-0.

cafeteria plan (in most circumstances). However, many important questions remain unanswered.

A. Permit Employers to Offer Contribution Programs That Are Not Subject to ERISA

The statute provides that employer contributions must be made pursuant to a Trump Account Contribution Program, which is a separate written plan of the employer.

The Notice indicated that "[t]he Departments of Labor and Treasury anticipate issuing guidance on how to structure section 128 employer contributions to Trump [A]ccounts to ensure that they are not subject to the ERISA coverage framework."[30]

This type of guidance is greatly needed in order to encourage broader adoption by employers. Further, there is precedence for such guidance. Soon after Health Savings Accounts (HSAs) were created by Congress, DOL provided guidance indicating that HSAs generally will not constitute "employee welfare benefit plans" for purposes of ERISA, even if the employer makes contributions to the employee's HSA.[31] Similarly, DOL provided a safe harbor for payroll deduction IRAs, explaining when those accounts will not be treated as ERISA plans.[32] Finally, dependent care assistance programs (DCAPs), which are often provided through Section 125 cafeteria plans, are generally not covered by ERISA.

In this case, the most helpful guidance to employers interested in providing contributions to Trump Accounts would be a broader statement that Trump Accounts and employers' Trump Account Contribution Programs will not be considered ERISA plans. For Trump Accounts, an employer would not be establishing or maintaining the Trump Accounts, would have no control over the investments available or selected within the account, and would have no control over how the funds are used; and any contributions made by employees (i.e., by salary reduction through a section 125 cafeteria plan) would be voluntary.

B. Clarify Application of the $2,500 Contribution Limit

Under the statute, employer contributions provided under a Trump Account Contribution Program will not be included in the employee's income, and the amount excluded with respect to any employee may not exceed $2,500 (adjusted for inflation). However, outside of the Trump Account Contribution Program, anyone can make contributions to a child's account,

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[30] Footnote 3 on page 8 of Notice.

[31] Field Assistance Bulletin (FAB) No. 2004-01, April 7, 2004, available at https://www.dol.gov/agencies/ebsa/employers-and-advisers/guidance/field-assistance-bulletins/2004-01. FAB No. 2006-02, dated October 27, 2006, available at https://www.dol.gov/agencies/ebsa/employers-and-advisers/guidance/field-assistance-bulletins/2006-02 provides additional guidance.

[32] 29 CFR 2510.3-2(d).

subject to the $5,000 annual contribution limit. In light of this, Treasury should address whether employers may contribute more than $2,500 per employee if any amounts above that are reported as taxable income and treated as after-tax contributions. Similarly, Treasury should address whether an employer could permit employees to make after-tax contributions via payroll deduction into a Trump Account (in the same way they would allow payroll deduction contributions into a traditional IRA under current law). Such payroll deduction contributions would need to be identified as such since they would create basis in the account.

Treasury has confirmed informally that if an eligible child has two working parents (possibly with the same employer), each parent can receive $2,500 under a Trump Account Contribution Program toward the child's Trump Account. Treasury should confirm this interpretation in formal guidance.

C. Provide a Safe Harbor for Employer Matching Contributions

An employer's Trump Account Contribution Program must meet certain requirements similar to those of DCAPs, including meeting certain nondiscrimination requirements. Several employers have already announced plans to match Federal government contributions made under the pilot program. To encourage this type of arrangement, it would be helpful for Treasury to provide a safe harbor from the non-discrimination rules such that if a match applies to all employees who have children eligible for the pilot program contribution, it would be deemed to meet the nondiscrimination requirements.

D. Address Other Potential Discrimination Issues Not Addressed by Section 128(c)

Some practitioners have raised the concern that an employer making contributions (in the form of Trump Account contributions) only to employees with children could raise discrimination concerns, which may be legal concerns or simply concerns regarding their employees' perception of fairness. It would be helpful if Treasury clarified this issue. For example, could an employer make a corresponding contribution to another employee benefit plan, including a qualified retirement plan, for employees who do not have children under age 18? If so, how could an employer address any discrimination issues resulting from contributions made to the qualified plan?

E. Clarify the Mechanics of Making Employer Contributions into a Trump Account

Treasury has informally indicated that, to claim the benefit, the employee will provide the Trump Account information to the employer (similar to payroll deduction IRAs). Treasury should indicate whether there may be other options for employers to locate employees' Trump Accounts.

VIII. Contributions Should Qualify for the Annual Gift Tax Exclusion

Neither the statute nor the Notice mentions application of the Federal gift tax. Gifts that are not more than the annual exclusion for the calendar year ($19,000 for 2026) can be excluded from the gift tax. However, for gifts to be eligible for the annual exclusion, there must be a "present interest." Under Code section 530A(d), a Trump Account beneficiary cannot access funds in the account until the first day of the calendar year in which he or she turns 18. Because of this restriction, it is unclear whether a "present interest"[33] exists and therefore whether the gift tax exclusion applies.[34] Without the ability to use the annual exclusion, any individuals (other than the beneficiaries themselves) making contributions would be required to file a gift tax form, Form 709, with an election to pay taxes now, or deduct against their lifetime exemption. While Code section 529 specifies that contributions to a 529 plan meet the present interest requirement,[35] Code section 530A does not include such a clarification. We recommend that Treasury clarify that contributions to Trump Accounts likewise meet the present interest requirement so that contributors can make use of the annual exclusion.

IX. Conclusion

ICI appreciates the initial guidance provided in Notice 2025-68 and the opportunity to provide input. Treasury and IRS have many difficult issues to continue to work through on a short timeline. We look forward to working with you to implement the Trump Accounts program in a manner that promotes competition, investor choice, and operational efficiency. We ask that any future guidance should be careful not to impede reasonable practices that the industry might use to ensure enduring success of the Trump Accounts program. In addition, because there are still several outstanding questions and little time to implement, it would be helpful for Treasury to provide broad good faith compliance relief for an initial period. Further, we recommend that Treasury create a simple self-correction program, to allow trustees/custodians, responsible parties, and employers to correct good faith operational or administrative errors.

Many of the operational issues raised by Trump Account implementation are also relevant to the Saver's Match, which will become effective next year.[36] Like Trump Accounts, many aspects of the Saver's Match have little precedence from which to build. Even once a solution

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[33] Code section 2503(b).

[34] Code section 2503(c) provides special rules for the present interest requirement in the case of transfers for the benefit of a minor. However, it is not clear that Trump Account contributions would satisfy these requirements.

[35] Code section 529(c)(2)(A)(i) provides that a contribution to a 529 plan "shall be treated as a completed gift to such beneficiary which is not a future interest in property."

[36] Created under section 103 of the SECURE 2.0 Act, the Saver's Match is a refundable tax credit that, beginning in 2027, will be deposited directly into retirement accounts for eligible individuals who make qualifying retirement savings contributions.

is identified, it will take a significant amount of time to implement and test the system to ensure it is ready. As the effective date is quickly approaching, we urge Treasury to prioritize issuing further guidance needed to implement the Saver's Match in addition to Trump Accounts.[37]

If you have any questions or would like to discuss our comments, please do not hesitate to contact Elena Chism, Deputy General Counsel (elena.chism@ici.org).

Sincerely,

/s/ Eric J. Pan

Eric J. Pan
President & CEO

/s/ Paul G. Cellupica

Paul G. Cellupica
General Counsel

cc: Helen Morrison
Robert Daily
Catherine Hughes
Jonathan LaPlante

[37] In November 2024, ICI responded to IRS Notice 2024-65 (in which IRS and Treasury requested comments on the implementation of the Saver's Match), proving comments on the process for claiming, depositing, and reporting Saver's Match contributions. See letter from Elena Barone Chism, Deputy General Counsel, Retirement Policy, and David Cohen, Associate General Counsel, Retirement Policy, ICI, to IRS (November 7, 2024); available at https://www.ici.org/letters/24-saver-match-contributions. Also see letter from Elena Barone Chism, Deputy General Counsel, Retirement Policy, and Shannon Salinas, Associate General Counsel, Retirement Policy, ICI, to Treasury and IRS (May 30, 2025); available at https://www.ici.org/letters/25-retirement-security-issues.