

Trump Accounts- The Initial Trustee and Rollovers

Quick-Take: The initial trustee of a Trump account has been identified by Treasury, along with rules for when funds are rolled over to a successor trustee of a Trump account. The IRS has also released a draft of the Form for annual reporting for Trump accounts.

Background: The ‘start’ date for Trump accounts is fast approaching: **July 4, 2026**. Treasury is ‘ramping up’ with ‘last minute’ information on how funds are to be transferred to Trump accounts with several new releases and reporting that will go along with a funded Trump account.

Initial Trustee: On April 6, 2026, Treasury announced that Bank of New York Mellon Corporation (BNY) will be the initial agent to manage the initial Trump Accounts. BNY has partnered with Robinhood, which will serve as the brokerage and the initial trustee for these accounts. [I wonder if BNY and Robinhood have agreed to contribute to the White House ballroom? But I digress.] An app is currently being developed to provide a platform for families to access and manage their Trump account, however, Treasury will ultimately control the app and the operations for the initial Trump accounts.

Successor Trustees: A Trump account can be ‘rolled over’ to a successor trustee. In Notice 2025-68 the IRS provided the framework for a ‘responsible party’, i.e., the person who originally opened the Trump account, to move the account to a ‘rollover Trump account’. This will be in a trustee-to-trustee transfer of the *entire* Trump account balance. The successor trustee must be a bank, defined in IRC 408(n), or a nonbank trustee approved by the IRS.

Only One Trump Account: Because a rollover requires the transfer of the *entire* balance of a Trump account, an individual can only have one funded Trump account opened at any one time.

Closing the ‘Old’ Trump Account: Once a rollover of the Trump account occurs, the ‘old’ Trump account cannot accept any new contributions, and that ‘old’ Trump account must

be closed within a reasonable period. 'Trailing' dividends received by the 'old' Trump account trustee must be 'promptly transferred' to the new rollover Trump account trustee.

Successor Trustee Reporting: The successor trustee must within 30 days of a qualified rollover contribution submit an electronic report to Treasury that contains the account beneficiary's name, address, SNN, the successor trustee's name, address, account number, and routing number.

Form 5498-TA: Treasury also just released a draft Form 5498-TA that confirms that trustees and custodians are responsible for tracking and reporting the Trump account's 'basis or investment in the contract.' In short, tracking of basis rests with the trustee/custodian and not the taxpayer, recall that contributions to a Trump account create basis, such as a parent's contributions, which must be tracked at the account level. Consequently, the trustee/custodian is responsible to report basis annually to both the IRS and to the Trump account beneficiary. Basis is reported on Box 5 to Form 5498-TA. This Form also requires reporting of *pilot* and qualified general contributions, rollover contributions, employer contributions, and fair market value, much like the reporting for 529 accounts.

Conclusion: As July 4, 2026, approaches we can expect a few more announcements and guidance from Treasury.

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