

TRUMP ACCOUNTS VERSUS 529 PLANS

K John Kasperek Co.
CERTIFIED PUBLIC ACCOUNTANTS
Serving Communities with Purpose,
Precision, and Heart for over 35 years.
www.kasperekcpa.com

Feature	Trump Account (OBBBA)	529 Plan
Purpose	Savings account for children's future expenses not limited to education; can be used for housing, healthcare, or business startup costs once the beneficiary reaches adulthood.	Primarily for qualified education expenses (tuition, books, room & board, etc.). Some states now allow K-12 tuition and student loan payments.
Contributions	After-tax dollars; annual contribution limits and income phaseouts apply (similar to Roth IRA thresholds).	After-tax dollars; no federal deduction, but many states offer deductions or credits. No income limits.
Withdrawals	Tax-free if used for qualified life expenses as defined by OBBBA (education, home purchase, healthcare, small business start-up). Penalty applies to non-qualified withdrawals.	Tax-free if used for qualified education expenses. Non-qualified withdrawals taxed and penalized.
Account Ownership	Opened by a parent or guardian for a child. Ownership transfers to the child at age 18.	Owned by parent, grandparent, or guardian; beneficiary can be changed to another family member.
Investment Options	Must be placed in eligible mutual funds or ETFs that track a qualified index and do not use leverage. The Treasury Secretary will approve trustees/custodians based on reliability, service, and cost.	Broad investment menus vary by state — typically includes age-based portfolios, mutual funds, and static options. Managed by each state's plan administrator (often a major financial firm).

TRUMP ACCOUNTS VERSUS 529 PLANS

K John Kasperek Co.
CERTIFIED PUBLIC ACCOUNTANTS
Serving Communities with Purpose,
Precision, and Heart for over 35 years.
www.kasperekcpa.com

Feature	Trump Account (OBBBA)	529 Plan
Flexibility	More limited investment choice initially; intended to be low-risk and standardized. Flexibility may expand once the beneficiary reaches 18.	More flexibility to choose or adjust portfolios; some plans allow switching investments twice per year.
Custodian / Trustee	Selected by the U.S. Treasury. Must meet criteria for reliability, compliance, and cost efficiency.	Selected by the state that sponsors the plan. Typically large financial firms (Vanguard, Fidelity, etc.).
Tax Treatment	Earnings grow tax-free; withdrawals for qualified uses are also tax-free. Contributions are not deductible federally.	Same: tax-free growth and withdrawals for qualified education expenses. State tax treatment varies.
State Involvement	Federal program — overseen by the U.S. Treasury, not individual states.	State-sponsored; each state's rules and incentives differ.
Regulatory Status (as of the date of this newsletter)	Awaiting detailed Treasury regulations on fund selection, contribution caps, and custodian approvals.	Fully established; 529s are governed under Section 529 of the Internal Revenue Code.