



UNITED STATES SENATE COMMITTEE ON FINANCE

WORKING FAMILIES TAX CUTS

INVESTING IN AMERICA'S NEXT GENERATION

On July 4, 2025, President Trump signed the **Working Families Tax Cuts** into law. This legislation not only prevented the largest tax hike in history, but it also restored and made permanent critical pro-growth tax provisions that are already increasing domestic investment and boosting economic growth. Through new tax relief for working families and seniors, low- and middle-income Americans are the biggest winners under this bill. Moreover, the legislation creates a **new long-term savings account for American children** to help the next generation build wealth beginning at birth.

TRUMP ACCOUNTS

The Working Families Tax Cuts **establishes a new tax-preferred savings account** to help put American children on a path to financial success. The account operates as a traditional individual retirement arrangement (IRA) with some special rules.

All Americans under age 18 with a valid Social Security number are eligible for a Trump Account.

U.S. children born between January 1, 2025, and December 31, 2028, are also eligible for a \$1,000 government contribution to their Trump Account. This one-time contribution gives young Americans an ownership stake in the U.S. economy and helps to promote financial literacy.

Individuals, families, friends and employers may contribute up to an aggregate amount of \$5,000 annually to a Trump Account, adjusted for inflation. The \$1,000 government contribution and contributions from state, local or tribal governments and 501(c)(3) organizations do not count against the \$5,000 annual limit.

Trump Account contributions will be invested in low-cost, broad U.S. equity index funds that track the overall U.S. stock market. At age 18, young Americans can use their Trump Accounts to continue saving for retirement or to pursue other goals, like furthering their education or purchasing a first home.

According to projections from the U.S. Department of the Treasury:

- If the maximum contribution is made each year through age 17, the account could grow to between \$191,500 and \$676,400, depending on investment performance.
- The account could grow to as much as \$1.9 million by the age of 28 if fully funded and left untouched. Assuming lower projected returns, the account could still yield nearly \$600,000 over the same period.
- If no contributions are made beyond the initial \$1,000 from the federal government, the account could grow to between \$3,000 and \$13,800 over 18 years.

*"When every American owns a share of the most powerful economy on Earth, **every American will benefit from our nation's growth**. Every American will capture a portion of the productivity gains brought about by AI, robotics and other world-changing technologies, and every American will be invested in the free-market system and, most importantly, its continued success." - U.S. Secretary of the Treasury Scott Bessent*

Additional updates and information are available at www.trumpaccounts.gov.