	Trump Account	529 Education Savings Plan
Primary Purpose	Long-term wealth/retirement	Qualified education expenses
Account Type	A type of traditional IRA (Individual Retirement Account)	An education savings plan
Sponsored By	Federal government	State government
Who It's For	Any child under 18 with a Social Security Number	Any individual, regardless of age
Who Owns the Account	Child when they turn 18	Account Owner (e.g., parent)
Number of Accounts	Only one funded Trump Account allowed per child at any time	A child can be the beneficiary of multiple 529 plans
Annual Contribution Limit	$5,000 Contributions from 501(c)(3) organizations, foundations and government entities (like the $1,000 seed) are exempt and do not count toward the limit.	There are no annual contribution limits, however there are state 529 plan lifetime limits (e.g., Path2College 529 Plan account maximum is $550,000)
Tax Treatment - Growth	Tax-deferred growth	Tax-deferred growth
Tax Treatment - Withdrawal	Taxed as ordinary income	Tax-free for qualified expenses
Tax Treatment – Contributions	Non-deductible at the federal level (contributions made with after-tax dollars)	No federal deduction but many states offer a state income tax deduction for contributions (contributions made with after-tax dollars)
Withdrawals during childhood	Generally prohibited during the growth period (until end of year child turns 17)	Can be withdrawn at any time for qualified education expenses, tax-free
What Happens at Adulthood	Automatically becomes a traditional IRA at age 18 – funds are earmarked for retirement	Account remains an education savings account; can be transferred to another beneficiary or rolled over to a Roth IRA (limitations apply)
Withdrawals for Education	Not specifically designed for education; after the growth period, standard IRA early withdrawal rule apply (penalty-free withdrawals at 59 ½)	Tax-free and penalty-free for qualified expenses
Rollover to ABLE Account	The entire balance can be rolled over to an ABLE account in the year the child turns 17 (for individuals with disabilities)	Rollovers to ABLE accounts are permitted but subject to ABLE contribution limits

Transferability	Cannot be transferred to another child and rollovers are only allowed between Trump Accounts for the same child	Can change beneficiaries any time or transfer a portion of the investment to a different qualifying beneficiary. Funds can be rolled into the beneficiary's Roth IRA up to $35,000 over time (limitations apply)
Employer Contributions	Employers can contribute up to $2,500 per employee (indexed after 2027) tax-free to the employee's child's account. (The Treasury and IRS still need to issue guidance on how employers will make contributions to employee-dependent accounts)	Varies by state
Investment Options	Restricted – must track a broad U.S. equity index, no leverage, fees capped at 0.1%	Flexible – wide range of investment options such as mutual funds, ETFs, age-base or enrollment-year portfolios
Government Seed Money	A one-time $1,000 pilot program contribution from the federal government for eligible newborns (2025 – 2028 births) Children age 10 or younger born before 2025 living in zip codes with medial incomes below $150,000 are eligible for a $250 seed deposit	Some states offer small seed contributions but there is no federal government contribution
Legislative Background	Established by Congress under Section 530A in 2025 (effective July 4, 2025) U.S. Department of the Treasury as the agency responsible for setting up and managing the accounts	Established by Congress under Section 529 of the Internal Revenue Code in 1996 Established and overseen by individual state agencies or state authorized boards. Day-to-day management and investment services are typically contracted to experienced financial institutions
Financial Aid Impact	Using a Trump Account or IRA for education can reduce financial aid eligibility since withdrawals count as student income on the Free Application for Federal Student Aid (FAFSA). Student-owned assets are assessed at up to 20% in the Student Aid Index (SAI) which determines student need	529 plan assets are considered parent-owned and are assessed at about 5/6% in the Student Aid Index (SAI) calculation on FAFSA.

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