

IRS Provides Guidance on Trump Accounts for Children

On Dec. 2, 2025, the IRS issued [Notice 2025-68](#) announcing upcoming regulations and providing initial guidance regarding Trump Accounts. Created by the One Big Beautiful Bill Act, Trump Accounts are a new type of tax-favored savings account for children under the age of 18.

Contributions to Trump Accounts may start **July 4, 2026**, and can be made by anyone, including the account beneficiary, parents or guardians, grandparents, employers, philanthropic contributors or any other source. Children born between 2025 and 2028 may be eligible to receive a special **\$1,000 contribution** from the federal government through a pilot program.

Taxpayers will use IRS Form 4547 to establish Trump Accounts for eligible children. This same form is used to make an election to participate in the federal government's \$1,000 pilot program. A draft version of Form 4547 is available [here](#).

Notice 2025-68 clarifies that Trump Accounts are a type of traditional individual retirement account subject to special rules during the "growth period," which is the period that ends before Jan. 1 of the calendar year in which the account beneficiary attains age 18.

Employers can contribute to the Trump Account of an employee or an employee's dependent pursuant to a Trump Account Contribution Program. These contributions are not includable in the employee's income for federal tax purposes. Contributions are limited to **\$2,500 per employee per year**, subject to cost-of-living adjustments after 2027. This program must be established pursuant to a written plan document and must meet certain tax rules that apply to dependent care assistance programs regarding discrimination, eligibility, notifications and benefits.

Also, employers can allow employees to make **pretax contributions** to their dependents' Trump Accounts through a Section 125 cafeteria plan.

PCORI Fee Amount Adjusted for 2026

The IRS recently issued [Notice 2025-61](#) to increase the Patient-Centered Outcomes Research Institute (PCORI) fee amount for plan years ending on or after Oct. 1, 2025, and before Oct. 1, 2026. The updated PCORI fee amount is \$3.84 multiplied by the average number of lives covered under the plan. For plan years that ended on or after Oct. 1, 2024, and before Oct. 1, 2025, the PCORI fee amount is \$3.47 multiplied by the average number of lives covered under the plan.

The PCORI fee is imposed on health insurance issuers and self-insured plan sponsors to fund comparative effectiveness research. It applies through the plan or policy year ending before Oct. 1, 2029.

PCORI fees are reported and paid annually on IRS [Form 720](#) (Quarterly Federal Excise Tax Return). These fees are due each year by July 31 of the year following the last day of the plan year. For plan years ending in 2025, the PCORI fee is due by **July 31, 2026**. Employers with self-

insured health plans should have reported and paid PCORI fees for 2024 by July 31, 2025.

The PCORI fees are calculated based on the average number of covered lives under the plan or policy. This generally includes employees and their enrolled spouses and dependents unless the plan is a health reimbursement arrangement (HRA) or health flexible spending account (FSA). [Final rules](#) outline a number of alternatives for issuers and plan sponsors to determine the average number of covered lives.

More information on PCORI fees is available from the IRS, including an [overview](#), [common questions and answers](#) and a [chart](#) summarizing the fees' application to common types of health coverage.