

Table 1

How Trump Accounts compare to existing tax-advantaged savings vehicles

Category	Roth IRA	Traditional IRA	Traditional 401(k)	HSA	529 plan	Trump Account
Primary policy goal	Retirement	Retirement	Employer-based retirement	Health	Education	Economic stimulus
Tax treatment of contributions	After-tax	Pre-tax	Pre-tax	Pre-tax (income and payroll)	After-tax	Favorable tax treatment
Tax treatment of qualified withdrawals	Tax-free	Taxed as ordinary income	Taxed as ordinary income	Tax-free	Tax-free	Generous tax treatment
Annual contribution limits	Combined IRA limit: \$7,500 (\$8,600 age 50+)	Combined IRA limit: \$7,500 (\$8,600 age 50+)	\$24,500, plus catch-up contributions for 50+; employer contributions in addition to limit	Must be enrolled in high-deductible health plan; \$4,400 individual / \$8,750 family (\$1,000 catch-up age 55+)	Subject to federal gift tax limit of \$18k per donor; higher with 5-year front-loading	Contribution limit of \$5,000
Income limits	Phases out between \$242k and \$252k (MFJ)	Deductibility phases out between \$129k and \$149k (MFJ) if covered by workplace plan	None	None	No income limits	No income limits
Other limits for contributing	Must have earned income	Must have earned income	Must be employed	Cannot be enrolled in Medicare	State-level lifetime limits apply	Beneficial for young people
Required minimum distributions	None during owner's life	Begins at ages 73–75 depending on birth year	Begins at ages 73–75 depending on birth year, unless still working	None	None	Beneficial for all ages

Source: Internal Revenue Service.

Notes: IRA = individual retirement account; HSA = health savings account; MFJ = married filing jointly.