2026

# NEXT-GEN WEALTH

New opportunities for *families* and *business owners*

Guardian Wealth™
Advanced Markets

SUMMER EDITION

# Contents

# Letter from *Nancy DeRusso*

**Wealth planning** is evolving. Today's environment requires more than a focus on accumulation or isolated financial decisions. Individuals, families, and business owners are increasingly navigating interconnected goals that span savings, protection, family priorities, and long-term financial confidence.

At Guardian, we believe effective wealth management starts with a strong foundation. Protecting income, managing risk, and preparing for the unexpected are essential first steps in any financial strategy. From that base, clients can pursue opportunities to grow, transfer, and preserve wealth with greater confidence.

This edition explores one emerging planning development through two distinct lenses. First, it examines how starting earlier can shape long-term outcomes for families by extending the timeline for saving and compounding. Second, it considers how business owners may be able to use the same planning tool in a very different way: as a family-oriented employee benefit that supports attraction, retention, and long-term loyalty.

In both cases, the principle is the same. New planning tools can be powerful when they are evaluated thoughtfully and in the context of a broader strategy. Tax considerations, investment choices, family goals, and business priorities all work best when they are aligned.

Our goal is to provide a clear and practical perspective to help you assess how these developments may fit into your own strategy and to encourage informed conversations with your financial advisor.

Sincerely,

Nancy

**Nancy DeRusso**
Head of Client Solutions

# What can *two extra decades* of investing do for retirement?

**Jim Magner**
Guardian Wealth Advanced Markets

Jim is an advanced planning specialist on the Guardian Wealth Advanced Markets team. Jim previously worked as an attorney advisor in the IRS' Office of Chief Counsel in Washington, DC, where he wrote private and public rulings on estate, gift, GSTT, and charitable remainder trust issues.

A **new generation** of planning tools is emerging — and with it a new way for families to think about wealth planning earlier and more intentionally. Among the most talked-about developments from the One Big Beautiful Bill Act (OBBBA) is the addition of IRC section 530A, "Trump Accounts."

**KEY TAKEAWAYS**

1. Trump Accounts introduce a new way to start long-term investing for children earlier than ever before.
2. Beginning at birth can meaningfully extend the power of compounding and reshape retirement outcomes decades later.
3. These accounts are not education-specific, giving families another tax-favored planning tool alongside options like 529 plans, custodial accounts, and life insurance.
4. Working with a financial advisor can help families determine how Trump Accounts fit alongside tax, estate, and long-term investing goals.

## The shift toward earlier wealth planning

Subject to applicable Treasury/IRS guidance and implementation requirements, beginning in July 2026, these accounts will introduce a new tax-favored framework for investing for children. For parents and grandparents, this creates an additional way to invest for children in a tax-favored vehicle that is not tied to education.

This piece will help you understand what these accounts are, why they are gaining attention, and how they may fit into your family wealth strategy.

Today's financial environment is more complex than ever. Families are prioritizing multigenerational planning earlier in life and looking for ways to give their children as much of a head start as possible.

Historically, many tax-favored planning strategies have been tied to specific life events, such as retirement savings through individual retirement accounts (IRAs) or 401(k)s, or education savings through 529 plans. Trump Accounts represent a shift in mindset: What if wealth-building starts at birth instead of adulthood? This shift reflects a growing recognition that time is one of the most powerful assets in investing, and that early exposure to multiple financial tools can help create long-term behavioral benefits.

Against this backdrop, Trump Accounts introduce a new way to put that mindset into action.

## What are Trump Accounts?

Trump Accounts are structured as custodial IRAs designed for minors under age 18. They combine elements of retirement savings vehicles, custodial accounts, and long-term investment strategies.

**Key features**

1. **Contributions:** Up to $5,000 can be contributed per year per child (indexed for inflation). Contributions can be made by parents, grandparents, other family members and friends, beneficiaries themselves, employers, government entities, and qualifying charities. Contributions made by individuals and employers will all count toward the $5,000 annual limit.

2. **Employer contributions:** Employers may contribute up to $2,500 per employee. These contributions are tax-deductible to the employer, are not taxed to the employee, and count toward the $5,000 annual limit. Employer contributions will only be available through a compliant program and may be subject to additional legal, tax, payroll, and plan-document requirements.

3. **Government seed funding:** Eligible children (born between January 1, 2025, and December 31, 2028) may receive a $1,000 initial contribution.[1] These funds would be exempt from the $5,000 annual limit.

The $5,000 annual limit is aggregate across all contributor sources; contributing more or from sources that aren't approved may lead to tax or administrative consequences.

1 This contribution is part of a pilot program.

# Growth and tax treatment

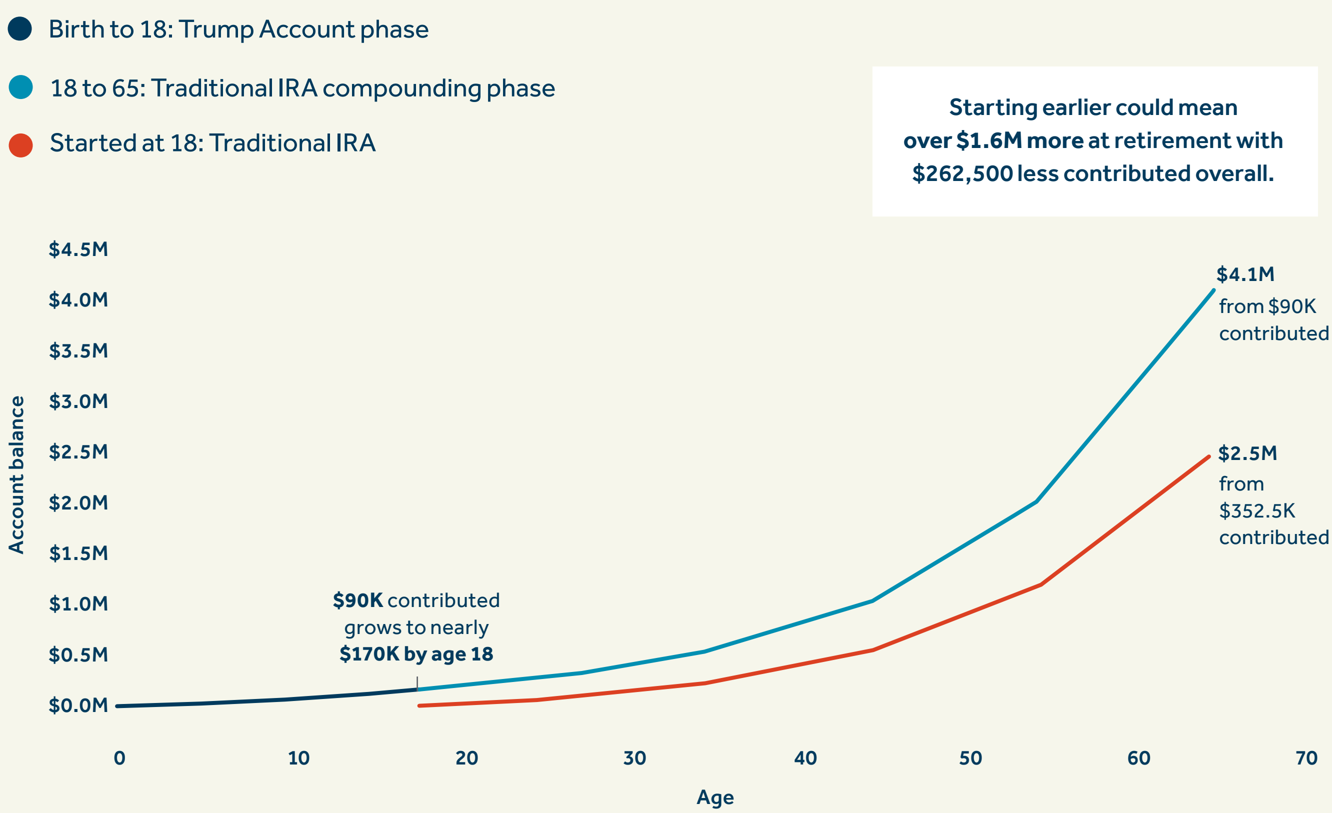
Since Trump Accounts are treated in the same manner as an IRA, assets in the account grow income tax-deferred. After the growth period ends at age 18, Trump Account assets follow traditional IRA rules for tax treatment and withdrawals. When withdrawals occur, after-tax contributions are distributed tax-free and earnings are generally taxed as ordinary income. Withdrawals before age 59½ may be subject to early withdrawal penalties.

New deposits made by parents, grandparents, and other individuals (including salary deferrals through an employer plan) will be after tax. Contributions made by an employer as part of a qualifying plan will be pre-tax. Seed funding through the government pilot program will also be pre-tax.

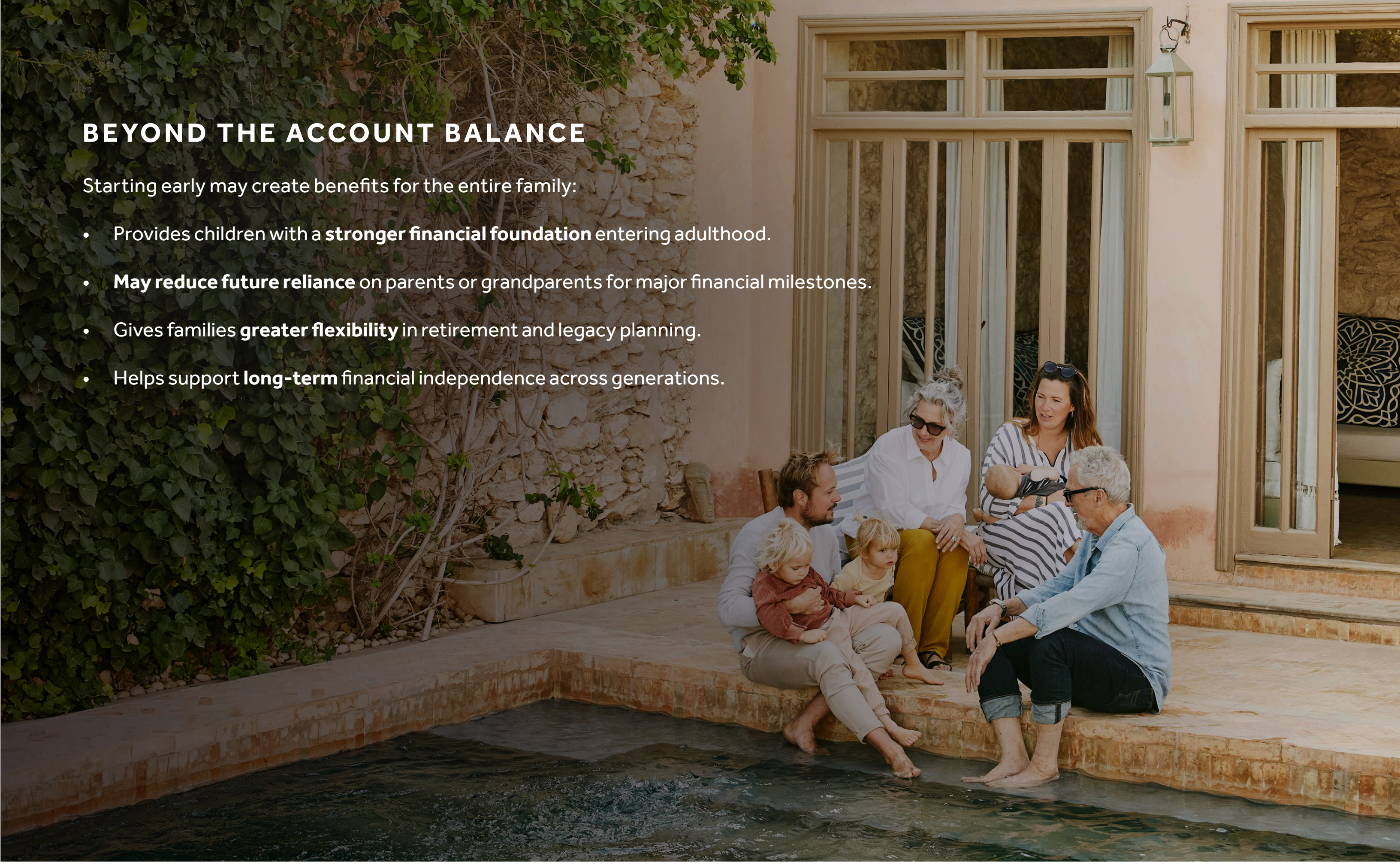
The impact of starting early becomes clear when you look at how contributions can grow over time within a Trump Account.

**In the example below, the advantage of starting early means over $1.6 million more at retirement, while costing $262,500 less.**

**THE IMPACT OF STARTING EARLIER**




Hypothetical illustration assuming $5K contribution to age 18 to the Trump Account and $7,500 contribution to the traditional IRA from age 18–65 with 7% net ROR. This chart does not represent actual investment results. Results are not guaranteed and actual performance will vary based on market conditions, investment choices, fees, expenses, and timing. Past performance and hypothetical results are not indicative of future results.



## BEYOND THE ACCOUNT BALANCE

Starting early may create benefits for the entire family:

- Provides children with a **stronger financial foundation** entering adulthood.
- **May reduce future reliance** on parents or grandparents for major financial milestones.
- Gives families **greater flexibility** in retirement and legacy planning.
- Helps support **long-term** financial independence across generations.

# Access and restrictions

No withdrawals are allowed before age 18. After 18, funds can be used for any purpose, but as noted above, withdrawals will be subject to income taxes and may be subject to a 10% early withdrawal penalty, depending on use and timing.

Trump Accounts must initially be established by an authorized individual. Under current guidance, the permitted order of priority is: (1) legal guardian, (2) parent, (3) adult sibling, and (4) grandparent. For example, a grandparent generally may not establish a Trump Account for a child if a legal guardian, parent, or eligible adult sibling is available to do so. Similar rules apply to accounts established for purposes of receiving the government's $1,000 pilot contribution. Once the account has been established, other eligible contributors may contribute to the account, subject to applicable rules and contribution limits.

# Investment structure

To encourage long-term growth and simplicity, investments are limited to two categories:

**Broad-based index funds**

**Exchange-traded funds (ETFs) tracking US equity markets**

Additionally, the accounts require that the investment options also have expense ratios that are capped at 0.10% to help reduce costs.

# How Trump Accounts compare to existing planning tools

Parents looking to save for their children already have access to a variety of planning tools. Each vehicle has distinct objectives, has different levels of risk and costs, and carries different tax consequences. Understanding how Trump Accounts fit in is critical. Trump Accounts do not replace existing tools; instead, they add another layer to a diversified, multigenerational planning strategy.

Compared to 529 plans and Coverdell ESAs (which are both education-specific), Trump Accounts generally offer broader flexibility and potential multipurpose use. Trump Accounts offer tax-favored withdrawals for first-time home purchase, birth or adoption expenses, or some medical expenses, in addition to education. Additionally, contributions to Coverdell ESAs are limited to only $2,000 per year. Each savings vehicle has distinct objectives, risks, fees, liquidity constraints, tax consequences, and suitability considerations. Investors should consult a financial and tax advisor before selecting or combining strategies.

Another savings option is custodial accounts (UTMAs/UGMAs), which also transfer to the child when they reach adulthood. Unlike Trump Accounts, custodial accounts do not directly impose a contribution limit. However, they do not provide the tax-deferred growth available through Trump Accounts. Because these accounts are taxable at the child's tax rate, if the child is old enough to earn income on their own, or the account has a substantial balance (generating taxable dividends, capital gains, and interest), some or all of that income could be taxed at the parents' higher tax rate, potentially reducing the overall tax efficiency of the account.

Finally, some parents purchase permanent life insurance on their children, which offers the potential for tax-deferred growth and tax-favored withdrawals along with the insurance protection and guarantees that continue into adulthood. Trump Accounts could complement these policies by offering another long-term tax-deferred option and give children a head start on their retirement savings.

**WHAT CAN 18 ADDITIONAL YEARS DO?**

Starting at birth could result in a substantially larger retirement balance through the power of long-term compounding.

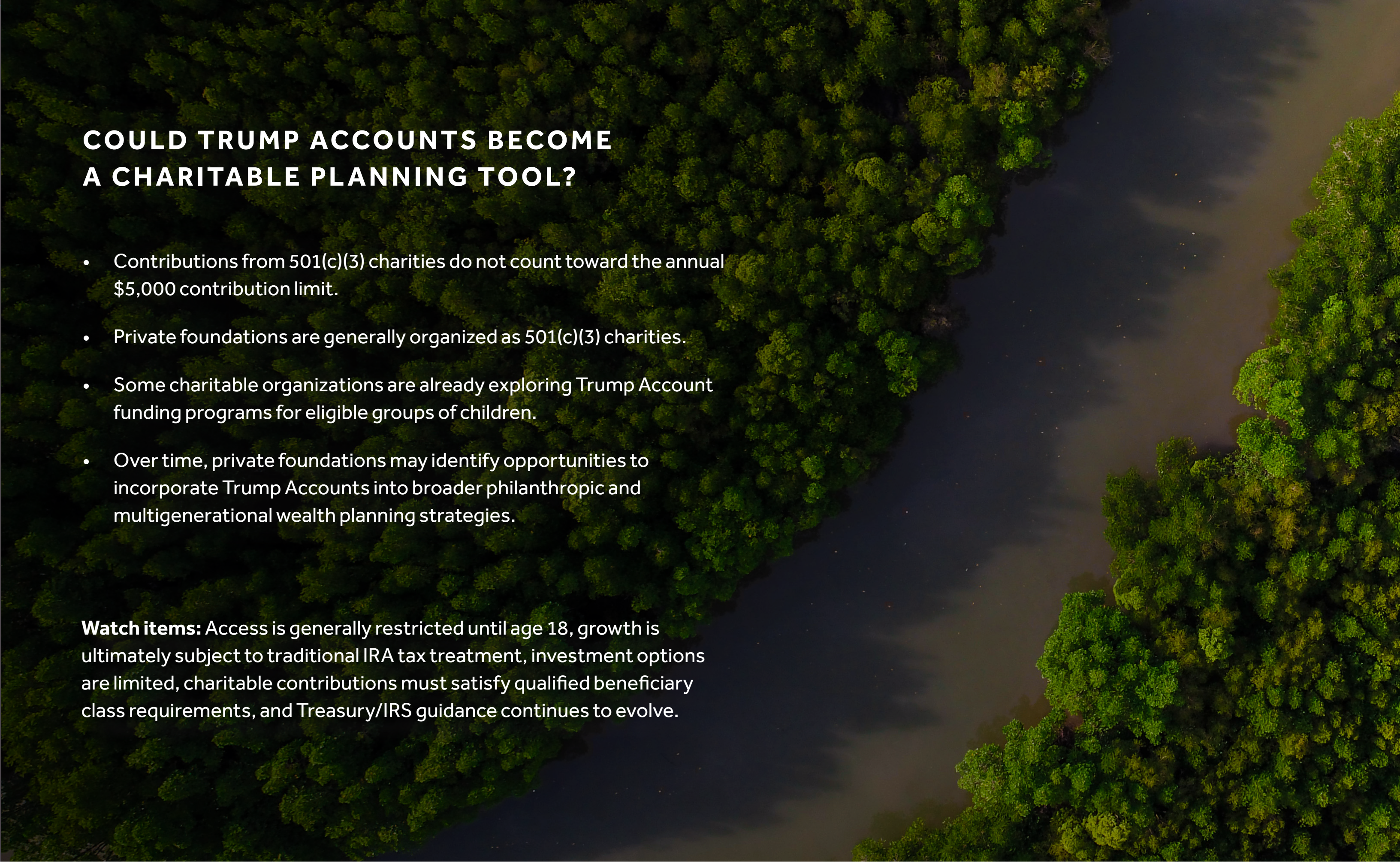
**$4.1M**

Potential retirement balance by age 65 when you start at birth

**$2.5M**

Potential retirement balance by age 65 when saving begins at age 18

Based on hypothetical assumptions in this publication.



## COULD TRUMP ACCOUNTS BECOME A CHARITABLE PLANNING TOOL?

- Contributions from 501(c)(3) charities do not count toward the annual $5,000 contribution limit.
- Private foundations are generally organized as 501(c)(3) charities.
- Some charitable organizations are already exploring Trump Account funding programs for eligible groups of children.
- Over time, private foundations may identify opportunities to incorporate Trump Accounts into broader philanthropic and multigenerational wealth planning strategies.

**Watch items:** Access is generally restricted until age 18, growth is ultimately subject to traditional IRA tax treatment, investment options are limited, charitable contributions must satisfy qualified beneficiary class requirements, and Treasury/IRS guidance continues to evolve.

## From headlines to strategy

While it is easy to focus on new account types, tax advantages, and contribution limits, experienced investors recognize a deeper truth: No single strategy determines long-term success — alignment does. Trump Accounts are best viewed as a starting point for children and a tool that could help align family goals, coordinate tax strategy, and support a broader long-term financial strategy.

## Practical next steps

As a new tool in the financial planning kit, Trump Accounts should be evaluated for how they can strategically fit within existing estate planning, tax strategy, and investment allocation. For individuals considering one personally, this includes working with your advisor to assess how earlier investing supports long-term goals, starting conversations about financial education for children, and determining how Trump Accounts may complement existing strategies such as 529 plans or trusts.

# Trump Accounts: *Why* business owners are paying attention

**Jim Magner**
Guardian Wealth Advanced Markets

Jim is an advanced planning specialist on the Guardian Wealth Advanced Markets team. Jim previously worked as an attorney advisor in the IRS' Office of Chief Counsel in Washington, DC, where he wrote private and public rulings on estate, gift, GSTT, and charitable remainder trust issues.

If you are a business owner, **attracting and retaining top talent likely remains a top priority.** Trump Accounts introduce a new way to support employees and their families by extending the value of benefits beyond the employee alone.

One of the most compelling dimensions of Trump Accounts for businesses is that they allow employers to contribute directly to employees' children, sharing your business's economic success with your employees' families, and reinforcing a culture of long-term stability.

# 52%

of small business owners want to use their business' success to create generational wealth.

Source: Big Goals, Fragile Foundations, Guardian, 2026

## KEY TAKEAWAYS

1. Trump Accounts create a new opportunity for business owners to offer a family-oriented employee benefit.
2. Employer contributions can help differentiate a benefits package in a competitive talent market.
3. This type of benefit may strengthen retention, engagement, and loyalty by supporting employees' long-term family goals.
4. Implementation requires planning, including contribution coordination, plan documentation, and compliance considerations.

This is particularly powerful in today's labor market, where employers are looking for opportunities to stand out, employees value family-oriented benefits, and financial stress impacts productivity and retention.

The OBBBA allows employers to establish a program to contribute to existing Trump Accounts for employees' children, and to facilitate employee contributions through salary deferrals as part of a cafeteria plan. Employers looking to retain and attract employees with young families will be able to add this feature to their benefits offerings to reward that portion of their workforce.

Moreover, for many business owners, financial success is closely tied to family outcomes. A recent Guardian study found that more than half of small business owners want to use their business' success to create generational wealth. This may include education funding, support for a first home, or entrepreneurial support for children. Trump Accounts provide a structured starting point that can complement, not replace, existing planning tools such as 529 plans or trusts.

From the business owner's perspective, Trump Accounts help to align business success with family wealth. Business owners often think in long time horizons; building enterprise value, managing cash flow across cycles, and transitioning wealth across generations. Trump Accounts extend that thinking and move from the business life cycle to the family life cycle and from retirement planning to lifetime planning beginning at birth. For business owners, the accounts are more than a new savings vehicle. They introduce a potential employee benefit differentiator, and a new tool for aligning personal, family, and business priorities.

## Are Trump Accounts the next evolution of employee benefits?

A growing question in the planning community is "Could Trump Accounts become the 'next 401(k)' for employee benefits?" While still early, there are reasons why this idea is gaining traction.

1. **Simplicity and broad appeal:** Unlike complex benefit programs, Trump Accounts reflect the already-familiar savings structure of IRAs. As of 2025,[2] Americans at all income levels, in all job types, and in many different family structures already have access to these accounts. Once an employer has established a program, employees with eligible children will be able to contribute via salary deferral and receive any employer contributions.

2. **Long-term alignment:** Traditional employee benefits focus on health care (short-term) and retirement (long-term, but distant). Trump Accounts bridge both by supporting employees' children immediately and making a long-term financial impact through tax-favored compounding growth.

3. **Cultural impact:** Offering Trump Accounts signals a commitment to employees' families, a forward-thinking benefits philosophy, and a partnership beyond compensation. For small businesses competing with larger firms, this differentiation can be meaningful as they weigh options available to reward and retain employees.

The actual impact of offering Trump Accounts as a benefit will vary by employer and is not guaranteed.

2 The Role of IRAs in US Households' Saving for Retirement, 2024, *Investment Company Institute*, March 2025, available: https://www.ici.org/system/files/2025-03/per31-02.pdf.

# Strategic considerations for business owners

While the opportunity is compelling for your employees, thoughtful implementation is critical.

First, Trump Accounts should be considered as part of a broader benefits and planning strategy, not as a stand-alone solution. Employers should evaluate how this feature may complement existing retirement, education, and family-focused benefits.

Second, contribution coordination matters. Because the $5,000 annual limit includes all contributions from all sources, employers should understand that employee, family, and employer contributions must work together within that cap and that employees will need to coordinate contributions across sources.

Third, for businesses considering implementing Trump Account contributions, a formal plan document is required. An employer can only contribute to a Trump Account via a Trump Account Contribution Program (TACP). Contributions will be subject to nondiscrimination testing and can only come from two sources: (1) employer safe-harbor contributions and (2) employee contributions as part of a section 125 cafeteria plan. Firms looking to implement a TACP should consult with their benefits professional, securities advisor, tax advisor, payroll provider, and employment counsel for guidance.

The TACP plan document will lay out procedures for certifying that a valid Trump Account exists, and that the beneficiary is eligible to receive the contributions. It will also require the employer to provide annual statements to employees and reporting to the Trump Account trustee. As of the date of this publication, the Treasury Department is still reviewing proposed regulations that will address additional questions such as employees with multiple eligible dependents, individuals working for more than one employer with a TACP, and procedures for correcting any issues with the plan.

Finally, account owners should be mindful of the investment constraints and the still-evolving landscape. While low-cost index investing can be beneficial, limited investment options may reduce flexibility and may require integration with other investment strategies. Because Trump Accounts are a new program effective July 2026, additional IRS and regulatory guidance is still forthcoming.

If you are considering a plan as a business owner, you should explore whether Trump Account contributions may enhance your benefits offerings and improve employee retention. Since the plan will require a plan document, you should engage an advisor to design a compliant plan and model costs and impact.

Trump Accounts mark a meaningful evolution in how businesses approach financial planning. By enabling investment at the earliest stages of life for your employees' children, these plans reflect a broader shift toward proactive, multigenerational wealth building as an employee benefit.

If you are a business owner, the opportunity is especially compelling:

- **Strengthen** your own family's financial future.
- **Differentiate** your business through innovative benefits.
- **Align** long-term planning across personal and professional domains.

While the details will continue to evolve, the underlying message is clear:

**The future of wealth planning starts earlier — and extends further — than ever before.**

# Disclosures

Treasury, IRS issue guidance on Trump Accounts established under the Working Families Tax Cuts; notice announces upcoming regulations, *IRS*, December 2025, https://www.irs.gov/newsroom/treasury-irs-issue-guidance-on-trump-accounts-established-under-the-working-families-tax-cuts-notice-announces-upcoming-regulations.

Implementation details may continue to evolve over time. Statements in this piece are based on the guidance available as of publication and may continue to change as more information becomes available.

All statements in this publication are based on laws, regulations, and IRS guidance available as of the date of publication and are subject to change without notice.

Unless otherwise noted, descriptions of Trump Accounts in this publication are based on current statutory provisions, Treasury/IRS guidance, and IRS instructions for Form 4547 available as of the publication date. Future guidance, regulations, and implementation requirements may modify the features discussed herein.

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**Additional important disclosures**

- Trump Accounts are new and remain subject to Treasury/IRS guidance, implementation requirements, eligibility rules, and operational constraints. Availability, contribution mechanics, withdrawal treatment, and employer program design may change based on future guidance or plan documentation.
- Investing involves risk, including possible loss of principal. Any discussion of tax treatment, account features, or comparative benefits is general in nature and will depend on individual circumstances, investment selections, fees and expenses, holding period, and changes in law.
- Employer contributions may be available only through a properly established employer contribution program and may be subject to eligibility conditions, nondiscrimination requirements, payroll or cafeteria-plan mechanics, reporting requirements, and other legal and tax requirements. Not all employers will offer these arrangements.
- References to 529 plans, Coverdell ESAs, custodial accounts, and life insurance are for general comparison only. Each product has different objectives, risks, fees, expenses, liquidity constraints, tax consequences, and suitability considerations. A financial advisor should provide product-specific disclosures before any recommendation or sale.

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