

KEEP MORE

The Path to Tax-Free Generations with Trump Accounts

At Pyle Financial Services, our mission is to ensure you KeepMore of your hard-earned wealth and LeaveMore to the people you love. Our KeepMore process is not about managing today's taxes; it is about anticipating the legislative shifts of tomorrow to build a lasting family legacy.

With the 2026 rollout of Trump Accounts (Section 530A accounts), we have a historic opportunity to seed retirement for your children and grandchildren. But the real power of these accounts is not just in the \$1,000 federal seed money, it is in the strategic conversion to a Roth IRA at age 18.

Phase 1: The Accumulation Years (Ages 0–17)

The Trump Account serves as a "Starter IRA." Unlike a standard IRA, the child does not need earned income to participate.

- **Funding Strategy:** Families can contribute up to **\$5,000** per year after-tax.
- **The Federal Boost:** Children born between 2025 and 2028 receive a one-time **\$1,000 seed** from the government.
- **The Guardrails:** Funds must stay in low-cost index funds (*capped at 0.10% fees*) in an attempt to ensure steady, diversified growth during these critical formative years.



Phase 2: The KeepMore Pivot (Age 18)

Under the new law, on January 1 of the year your child turns 18, the Trump Account automatically transitions into a Traditional IRA. This is where most firms stop, but where the **KeepMore** process truly begins.

At age 18, the account becomes eligible for a **Roth IRA conversion**.

Why This is a "Game Changer":

- 1. Eliminating the Tax Tail:** Trump Accounts naturally grow tax-deferred, meaning the government "owns" a piece of the earnings. By converting to a Roth at 18, you move the entire balance—contributions and growth—into a tax-free bucket forever.
- 2. Zero-Tax Opportunity:** Since most 18-year-olds are in the lowest possible tax bracket, they can often convert the taxable portion of the account (the earnings and government seed) while staying within their **Standard Deduction**.
- 3. No Aggregation Hassle:** Importantly, the IRS has indicated that Trump Accounts are **not aggregated** with other IRAs for tax purposes. This simplifies the math, ensuring your child keeps the maximum amount of "basis" (the after-tax money you put in).

Compounding Legacy

By utilizing our **KeepMore** strategy to transition a Trump Account into a Roth IRA at age 18, you are not just giving your child a "savings account"—you are gifting them a tax-free retirement engine.



How We Implement This for You

The window for 2026 contributions opens July 4, 2026. Between now and then, we are collaborating with our clients to:

- 1. Identify eligible children and grandchildren.*
- 2. File **IRS Form 4547** to claim the \$1,000 pilot program seed.*
- 3. Design an 18-year "Glide Path" that prepares the account for an optimal Roth conversion.*

Our team at Pyle Financial Services is ready to help you navigate this new landscape. We invite you to reach out to us to review your specific family situation and determine how the Trump Account fits into your broader estate and tax plan.

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