



# NEST 529 Plan vs. Trump Account (530A)

## A Side-by-Side Comparison for Families Saving for College

**The NEST 529 Plan** is an education savings plan created and administered by the State of Nebraska, available for families nationwide. Contributions grow tax-free and withdrawals are tax-free when used for qualified education expenses, including tuition, fees, room and board, and other eligible costs. Nebraska residents also receive a state income tax deduction of up to \$10,000 per year (\$5,000 if married filing separately) on contributions made to the plan.

**Trump Accounts** (officially called 530A accounts) are a new type of tax-advantaged savings account for children, created by the One Big Beautiful Bill Act signed July 4, 2025. They offer a free \$1,000 government seed contribution for eligible U.S. citizen children born in 2025-2028 for whom the required election is made and allow families to invest in U.S. stock index funds on a tax-deferred basis once contributions are permitted.

For families focused primarily on saving for education, 529 plans continue to offer significant advantages — including tax-free growth and withdrawals, higher contribution limits, broader investment options, greater account-owner flexibility, and more established financial-aid treatment. The comparison below highlights the key differences.

*Note: Trump Account rules are new and still developing. This comparison reflects current guidance as of June 2026 and may change as the IRS, Treasury, and other agencies issue additional guidance.*



## FEATURE COMPARISON

Feature	Trump Account (503A)	NEST 529 Plan
Overview and Purpose		
Primary Purpose	Long-term wealth building; retirement-focused with limited education use.	Education savings; tax-free growth and tax-free withdrawals for qualified expenses.
Account Structure	Custodial-style traditional IRA for minors (owned by child, managed by adult).	Nebraska state-sponsored education savings account; account owner retains control.
Available Since	Created in 2025; contributions begin July 4, 2026.	January 1, 2001; over two decades of proven use.
Eligibility & Setup		
Who Can Open	Authorized individual for an eligible child under 18 with a Social Security Number (SSN); the child owns the account.	Anyone (U.S. residents with a valid SSN or taxpayer ID, Uniform Gifts to Minors Act or Uniform Transfers to Minors Act (UGMA/UTMA) custodians, legal entities) for any beneficiary; no age restriction.
Government Seed Contribution	\$1,000 for eligible U.S. citizen children born 1/1/2025–12/31/2028 (election required; IRS Form 4547 or online tool).	None.
Other Seed Funding	\$250 for children under 10 born before 2025 in zip codes with median income under \$150,000. This is a one-time private contribution from the Dell Foundation, not a government seed contribution.	None.
How to Open	File IRS Form 4547 or use the online tool; election must be made before January 1 of the year the child turns 18.	Multiple easy options: <ul style="list-style-type: none"> <li>• Enroll online at NEST529.com.</li> <li>• (no minimum deposit; takes about 10 minutes).</li> <li>• Through a financial advisor via the NEST Advisor Plan.</li> <li>• Through a State Farm agent via the State Farm 529 Savings Plan.</li> <li>• Directly at Bloomwell529.com.</li> </ul>

Feature	Trump Account (503A)	NEST 529 Plan
Contributions		
Contribution Limits	Annual: \$5,000 per year (indexed after 2027); employer contributions capped at \$2,500 (counts toward limit). Total Account Limit: No limit.	Annual: No plan-imposed annual contribution limit; federal gift-tax rules may apply, including a potential five-year election for larger gifts. Total Account Limit: Contributions accepted until account balance reaches \$550,000 per beneficiary.
Contribution Deadline	Generally before January 1 of the year the child turns 18; annual contributions must be made within the calendar year. Unlike traditional and Roth IRAs, Trump Account contributions for any calendar year may only be made during that year – contributions cannot be designated for a prior tax year.	No age restriction on contributions.
Tax Deduction or Exclusion?	Family contributions generally after-tax; employer contributions up to \$2,500 may be excluded from employee income and count toward the \$5,000 annual limit.	No federal deduction, but Nebraska residents may deduct up to \$10,000 per year (\$5,000 if married filing separately) for state income tax purposes; federal gift-tax rules may apply to larger gifts.
Contribution Source	Family members, employers; no earned income required.	Anyone – Family members, friends, employers; no earned income required.
Excess Contributions	If contributions exceed the \$5,000 annual limit, excess funds are automatically redirected to a separate Supplemental Account – a standard taxable custodial account (UGMA/UTMA) that does not receive tax-deferred treatment.	No plan-imposed annual contribution limit. Contributions are accepted until total account balance reaches \$550,000 per beneficiary. No spillover to a taxable account.
Tax Treatment		
Tax on Growth	Yes. Earnings grow tax-deferred but are taxed upon withdrawal.	Earnings grow tax-free and are not subject to federal income tax when withdrawn for qualified expenses.
Tax on Withdrawals	Taxed as ordinary income (traditional IRA rules); 10% early withdrawal penalty before age 59½ with exceptions.	Tax-free for qualified expenses; for non-qualified withdrawals, earnings may be subject to income tax and a 10% federal penalty, plus possible Nebraska deduction recapture.
Nebraska State Tax Deduction?	No Nebraska State income tax deduction currently available.	Yes – Nebraska residents may deduct up to \$10,000 per year (\$5,000 if married filing separately) for state income tax purposes; certain withdrawals may trigger Nebraska recapture or income tax treatment.



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Investment Options		
Permitted Investments	Limited to low-fee mutual funds or exchange-traded funds (ETFs) tracking broad U.S. equity indexes; no bonds or international options during the growth period. Annual fund expenses are capped at 0.10% (10 basis points). No money market funds or cash investments are permitted during the growth period.	Broad range of professionally managed portfolios, including age-based, index, and static options, plus an Federal Deposit Insurance Corporation (FDIC)-insured savings option.
Investment Flexibility	Very limited — U.S. stock index funds only.	High — NEST offers multiple portfolios including age-based, index, and static options with automatic rebalancing; FDIC-insured savings option also available.
Account Fees	No account fees or trading commissions are currently charged by the trustee.	No annual account maintenance fee for the direct-sold plan enrolled through NEST529.com. Underlying investment management fees vary by portfolio option.
Withdrawals & Use of Funds		
When Can Funds Be Accessed?	Generally not until January 1 of the year the child turns 18; then withdrawals are subject to traditional IRA rules (age 59½ for penalty-free distributions unless an exception applies).	Anytime for qualified education expenses; no age requirement.
Qualified Withdrawals	Higher education (penalty-free exception); first home purchase; retirement (after 59½).	Tuition, fees, room and board, books, K-12 expenses beginning 2029 (federal limit up to \$20,000 per year), apprenticeships, student loan repayment (up to \$10,000), and qualified postsecondary credentialing expenses; Nebraska state tax treatment may differ for some federally qualified withdrawals.
Early Access Penalty	10% penalty before age 59½ except for qualified exceptions.	10% penalty on earnings only for non-qualified withdrawals.



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Flexibility & Portability		
Beneficiary Changes	No. Account belongs to the child — beneficiary generally cannot be changed.	Yes. Account owner can change beneficiary to another family member.
Number of Accounts per Beneficiary	Only one funded Trump Account is permitted per beneficiary at any time.	Multiple accounts may be opened and maintained for the same beneficiary by different account owners (for example, parents, grandparents, and other family members may each maintain separate accounts).
529-to-Roth IRA Rollover	Account automatically converts to traditional IRA at age 18.	Up to \$35,000 lifetime can roll to the beneficiary's Roth IRA after a 15-year account history, subject to annual IRA contribution limits, the five-year contribution rule, and the beneficiary's earned-income requirement.
Excess Funds	After 18, follows IRA rules; can be left to grow for retirement. ABLE account rollover permitted only during the calendar year in which the beneficiary turns 17 (after which the ABLE rollover is no longer available).	Can roll unused funds to a Roth IRA; change beneficiary; roll to an ABLE account if eligible; use for future education; or withdraw (with tax/penalty on earnings, as applicable).
Summary		
Best For	Long-term wealth building; an early advantage on retirement; families wanting to capture the free \$1,000 seed.	Education and career savings; maximizing tax-free dollars for qualified expenses; families with clear education funding goals; Nebraska families who also benefit from the state income tax deduction.



## Have Questions? We're Here to Help.

To learn more about the NEST 529 Plan or to open an account, visit [NEST529.com](https://www.nest529.com). You can also reach out to a financial advisor or contact NEST directly at 1-888-993-3746. Our team is happy to answer any questions about how NEST 529 can help you save for your family's education goals.

### Important Nebraska Tax Note

Some withdrawals that are federally qualified may be treated as Nebraska Non-Qualified Withdrawals and may result in Nebraska income tax consequences or recapture of previously claimed Nebraska deductions. Nebraska taxpayers should review current NEST guidance and consult a tax professional before taking withdrawals for K-12 expenses, student loan repayment, credentialing expenses, or other expanded uses.

### Important Disclosures

This document is for informational purposes only and does not constitute tax, legal, investment, or financial advice. You should consult a qualified tax professional, attorney, financial advisor, or other professional regarding your specific situation before making any decisions based on the information provided.

Before investing, consider whether your or your beneficiary's home state offers tax or other benefits that are available only for investments in that state's qualified tuition program. Investments in NEST are subject to investment risk, including the possible loss of principal, and investors should read the applicable program disclosure materials and consult their tax, legal, or investment advisor regarding their specific situation.