SYNTERA SYSTEMS

Section 128 Employer Readiness Checklist

A practical first-pass assessment for employers considering a Trump Account contribution program.

WHAT THIS DOES

Use this checklist to identify the policy, payroll, employee-data, trustee, testing, and reporting decisions your organization must resolve before launch. It is a readiness tool - not a substitute for legal, tax, benefits, payroll, or investment advice.

CURRENT STATUS

Treasury and the IRS published proposed Section 128 regulations on August 11, 2026, corrected August 24, 2026. Proposed requirements may change before finalization. This checklist reflects federal guidance available through August 25, 2026.

How to use it

Mark each item Yes, No, or Needs Review. A No or Needs Review is not necessarily a reason to stop; it identifies an implementation workstream that needs an owner and documented resolution.

1. Program design and governance

The statute requires a separate written employer program. The proposed regulations add operational detail for eligibility, contributions, notices, certifications, reporting, and corrections.

Business case and ownership

- ☐ We have identified the business objective for offering employer contributions (recruiting, retention, family benefit, or another documented goal).
- ☐ An executive sponsor and a day-to-day program owner have been assigned.
- ☐ HR, payroll, finance, benefits, tax, legal, and information-security responsibilities have been mapped.
- ☐ We have selected a target launch date and a decision timeline that allows for provider setup and employee communication.

Written program decisions

- ☐ We can define the classes of employees eligible to participate and explain the business rationale.
- ☐ We can state the contribution formula, timing, and maximum amount in writing.
- ☐ We understand that the Section 128 exclusion is limited to $2,500 per employee for 2026 and 2027, aggregated across eligible beneficiaries and employers.
- ☐ We have decided whether the program will include employer-funded contributions only or also dependent-only salary reduction through a Section 125 cafeteria plan.
- ☐ We have documented the plan year and the effective-date rules for new hires, status changes, and terminations.
- ☐ We have a formal review and approval process for the separate written plan document.

Nondiscrimination and eligibility

- ☐ We have identified highly compensated employees and understand that nondiscrimination testing may affect the tax treatment of their benefits.
- ☐ Eligibility and contribution rules can be administered consistently from payroll and HR records.
- ☐ We have identified controlled-group, related-employer, acquisition, and multi-employer issues that require professional review.
- ☐ We have selected a testing owner, testing calendar, and source of employee census data.

2. Administration and controls

Employee data and certifications

- ☐ We can collect a written or electronic employee certification covering beneficiary relationship, date of birth, and known eligibility facts.
- ☐ We have a secure process for collecting, retaining, changing, and limiting access to certification data.
- ☐ We can distinguish the employee's own account from a dependent's account when applying salary-reduction rules.
- ☐ We have procedures for incomplete, inconsistent, late, or corrected employee submissions.

Trustee and provider workflow

- ☐ A payroll processor, trustee, or other provider can reasonably verify that the destination is a valid Trump Account.
- ☐ The contribution file can identify each payment to the trustee as a Section 128 contribution.
- ☐ Our process does not improperly restrict contributions to only one selected trustee.
- ☐ We have tested account identifiers, rejected transactions, duplicate beneficiaries, missing accounts, and returned funds.
- ☐ Provider contracts and responsibilities clearly address data security, service levels, corrections, and record retention.

Payroll, limits, and reconciliation

- ☐ Payroll can enforce the written-plan limit and monitor the $2,500 employee-level federal limit.
- ☐ We can aggregate contributions across multiple dependents for the same employee.
- ☐ We can reconcile payroll deductions, employer funding, trustee confirmations, exceptions, and general-ledger postings each cycle.
- ☐ We have controls for retroactive changes, leave, termination, mergers, rehires, and employees with another employer.
- ☐ A named reviewer will sign off on each contribution-cycle reconciliation.

3. Communication, correction, and launch

Notices and year-end reporting

- ☐ Eligible employees will receive reasonable notice of the program's availability and terms before enrollment or contribution deadlines.
- ☐ Employee materials distinguish confirmed law from proposed regulatory requirements and avoid promising investment outcomes.
- ☐ We can furnish the annual contribution statement or report the amount on Form W-2, Box 12, Code TA, following current instructions.
- ☐ We have retained version-controlled copies of plan documents, notices, certifications, elections, contribution files, and reconciliations.

Corrections and escalation

- ☐ The written plan includes procedures for contribution errors, eligibility failures, excesses, misdirected payments, and invalid accounts.
- ☐ We can notify the trustee when a payment previously treated as a Section 128 contribution is later determined not to qualify.
- ☐ Our team can meet the proposed 21-calendar-day safe-harbor timing for trustee correction notices.
- ☐ Escalation thresholds identify when to involve payroll, tax, benefits counsel, the trustee, or the employee.
- ☐ We have a documented method to track open exceptions through resolution.

READINESS SNAPSHOT	
Yes	________
Needs Review	________
No	________
Top three unresolved workstreams	1. ______________________________ 2. ______________________________ 3. ______________________________

Primary sources: Treasury/IRS proposed regulations, 91 FR 51611 (Aug. 11, 2026; corrected Aug. 24, 2026), federalregister.gov/d/2026-16314; U.S. Department of Labor Technical Release 2026-02 (June 17, 2026), dol.gov/agencies/ebsa/employers-and-advisers/guidance/technical-releases/26-02. This educational checklist is not legal, tax, investment, payroll, or individualized professional advice.

September 2026 Proposed-Rule Update

Use this page with the Section 128 Employer Readiness Checklist. It records the official-source dates and implementation details confirmed through September 6, 2026.

REGULATORY STATUS

REG-101355-26 remains a proposed rule. The requirements below should be used for readiness planning and clearly labeled as proposed until Treasury and the IRS publish final regulations.

Deadline calendar

September 25, 2026	Comments and requests to speak, including outlines
October 13, 2026	Deadline to request attendance at the public hearing
October 15, 2026	IRS public hearing at 10:00 a.m. ET, unless cancelled

Checklist confirmations from the proposal

- The annual exclusion is the lesser of $2,500 per employee or the lower limit stated in the written program for 2026 and 2027.
- The $2,500 limit is employee-level and aggregates contributions across dependents and, for the employee's tax treatment, across employers.
- The separate written program must define eligibility, contribution rules, account designation, certifications, notices, reporting, the plan year, and correction procedures.
- Salary-reduction elections through a Section 125 cafeteria plan apply only to a dependent's Trump Account and must operate prospectively; participants must be able to change or revoke elections at least monthly.
- The prior-year contribution amount may be reported on Form W-2, Box 12, using code TA under the current 2026 instructions.
- Nondiscrimination failures can change the tax treatment for highly compensated employees, so testing ownership and source data should be assigned before launch.

Recommended product actions

- Add a dated proposed-rule notice to every checklist and template distributed before final regulations are issued.
- Add an employee-level aggregate-limit review, a multi-employer excess procedure, and a final-rule delta review to the implementation kit.
- Correct website timeline language so September 25 is the deadline for both comments and requests to speak; October 13 applies only to attendance requests.

Primary sources

IRS Internal Revenue Bulletin 2026-37, REG-101355-26: https://www.irs.gov/irb/2026-37_irb
U.S. Treasury employer-contribution announcement (August 11, 2026): https://home.treasury.gov/news/press-releases/sb0602