

SETTING UP A COOGAN ACCOUNT

A Coogan Trust Account is Required by Law

A trust account established under the revised Coogan Law is required for all minors working on any job in the entertainment industry under contracts executed on or after January 1, 2000.

- Within 7 business days after the minor's contract is signed by the minor and employer, the trustee(s) are required to establish a trust at a bank, savings and loan institution, credit union, brokerage firm unless a similar trust has been previously established.
- You only need to set up one Coogan account, which can be used for all the minor's current and future entertainment employment.

All minors who work on any entertainment job in California, even though their residence may be in another state or even another country, are required to comply.

All California companies are required to comply even if the work is done outside of California.

Main Requirements of a Coogan Account

- The account must be established at a financial institution (i.e., bank, brokerage firm, savings and loan institution, or credit union, or company registered under the Investment Company Act of 1940,) that is insured by the FDIC, SIPC or NCUSIF
- The minor is the beneficiary
- The parent, guardian or court designee is the trustee
- No withdrawals are allowed until the minor turns 18, but the trustee may transfer funds
- A court order is no longer required (unless it is a court-approved contract - usually a feature film or television series)
- A Coogan account is not the same as a custodial account or an account that falls under the Uniform Gift to Minors Act;
- If a Coogan account is already established in connection with a court-approved contract entered into prior to January 1, 2000, it may be used for this new law as well, but parents may choose to set up a separate account to simplify annual accounting requirements set forth in the California Probate Codes, and to freely transfer funds under the new Coogan law requirements.
- Note: Residuals connected to work performed or contracts signed prior to January 1, 2000, do NOT fall under the new Coogan law.

Where You Can Establish a Coogan Trust Account

If the trust is established in the U.S., it shall be either with a financial institution that is and remains insured at all times by the Federal Deposit Insurance Corporation (FDIC), the Securities Investor Protection Corporation (SIPC), or the National Credit Union Share Insurance Fund (NCUSIF) or their respective successors, or with a company that is and remains registered under the Investment Company Act of 1940. If the trust is established outside the U.S., the financial institution shall be a first-class international bank

SAG cannot endorse or recommend you to a particular financial institution.

Once the account is established, you will be required to provide each employer with the Trustee's Statement to the Employer. Attached will be a deposit authorization sheet which should include the:

- Name of account holder
- Address of account
- Account number,
- Minor's name as the owner of the account
- Trustee's name (the parent, guardian or the appointed trustee)
- Institution's tracking number for direct payroll deposits

The minor's earnings are the separate property of the minor under the law. Parents/guardians are charged with keeping complete and accurate records of income and expenditures. You may want to set up a second simple checking account, that is not funded from the Coogan Trust account, to track the minor's expenses.