

COOGAN ACCOUNTS FOR MINORS

New Law Compliance Instructions for A.D.s

1. **Work permits** must have a Coogan account trustee statement attached in order to be valid. The child cannot work without a valid work permit. There is a significant liability risk to the producer if a child is found to be working without a valid permit, so it is important that someone from production (probably the 2nd AD) be designated to inspect the work permit AND the Coogan statement. Traditionally, studio teachers have inspected the work permit for validity and signed the back, but now there is an additional responsibility to check the Trustee Statement as well.

A Trustee Statement is a signed statement from the parent saying that they opened a blocked account in a California bank for the child. It might be on bank letterhead, but it does not have to be. By law, the following things should be on a Trustee Statement:

- Name, Address and Phone of Financial Institution
- Name of the Minor

- Account Name

- Account Number

- Trustee Name (the parent usually)

- Signed under penalty of perjury by trustee

If the work permit has just been issued within the last 10 days and they don't yet have a Coogan account, please advise the parent that payroll will be with holding 15% of their child's income and that they need to open an account and fax it to the payroll company as soon as they get the information.

If the permit is NOT valid, they must open a Coogan immediately in order to work legally. As a courtesy, you might advise them that both AFTRA/SAG Federal Credit Union (www.aftrasagfcu.org) and First Entertainment Credit Union (www.firstent.org) can open an account in one day, via internet/phone.

In the case of blanket permits, Coogan will still be withheld, so we ask that you again advise parents that they need to open an account and fax the info to the payroll company ASAP.

Check to see that the account is truly a BLOCKED Coogan account. Other states, such as NY, have different requirements. In CA, look for the words "Coogan" or "Blocked Trust" on the statement. Out of state trustee accounts (UGMA and UTMA's) are not valid in California.

2. **Deposit Instructions:** Even if your studio requires the parent to complete a separate internal Coogan form, you will need to take a copy of the Deposit Instructions from the parent. Deposit Instructions, by law, is a statement from the bank telling the payroll company where to put the child's money (routing numbers, etc) . *Often financial institutions combine the trustee statement with the deposit instructions* . This is fine, as long as it has all the information. It must have the following

- Name of Account

- Name of Minor
- Name of Trustee (parent)
- Routing Number
- Social Security Number
- Financial Institution Contact Information

3. **Receipt:** The law requires the producer to accept the Coogan information and give the parent a receipt. If your studio does not have a standard form, feel free to use our form on the reverse.

4./ 5. Please be diligent about forwarding paperwork on to the studio and payroll company. This is a crucial part of the system! Often two sets of Coogan paperwork are needed, one to the legal department and one to payroll. Eventually, paperwork may need to travel to a residuals department as well. More is better...just attach everything you have, even if it seems like duplication! Payroll clerks and parents will thank you!!

Bizparentz.com, SAG Young Performers Committee

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