

California's Coogan Law

California Family Code 6750-6753

Coogan Act History:

In 1919, five year-old Jackie Coogan (1914-1984) got his big break, landing a role opposite legendary actor/director Charlie Chaplin in "A Days Pleasure". Two years later, Chaplin hired Coogan again for "The Kid". The film was a huge success and Jackie Coogan became the world's first major child superstar. With fame came fortune, and for decades Jackie Coogan held the record of being the youngest millionaire in history, earning an estimated \$4 million as a child star.

Unfortunately for Jackie, in those days there were no restrictions on how children in film were to be treated and in 1938 Jackie learned that his mother and step-father had spent most of his fortune. Jackie had to sue them for what was left of his earnings. The court decided that Jackie had no right to his income due to his age at the time he earned it. Public uproar over this situation caused California to pass "The Coogan Act" in 1938. The act has been revised a few times since 1938, most recently on January 1st, 2004.

WHO must comply with California's Coogan Law?

- Any un-emancipated* minor, employed or contracted to render "artistic or creative services**" in the State of California (even if the minor resides in another state or country)
- Any company who employs or contracts*** a California minor for "artistic or creative services**" (even if work is performed outside of California)

WHAT does this law do?

- Makes a minor's earnings the separate property of the child
- Establishes a set-aside amount at 15% of gross earnings
- Provides that California Minor Entertainment Work Permits be void after 10 days unless a Coogan trust document is attached evidencing the establishment of a "Coogan" or blocked trust account
- Requires producers to make timely deposits

WHERE are the monies held?

- A "Coogan Trust Account" must be established in a qualified financial institution in California that is insured at all times by the FDIC, SIPC or NCUSIF. Accounts can be established at a bank, savings and loan institution, credit union, brokerage firm, or other company registered under the Investment Company Act of 1940. A list of financial institutions that offer Coogan Accounts is available at www.ChildrenInFilm.com
- If a parent/guardian fails to provide an employer with a trustee's statement within 180 days, the employer shall forward the 15% set aside amount to The Actors' Fund of America (www.actorsfund.org).
- To find out if a minor child had money transferred by an employer to The Actors Fund of America go to www.unclaimedcoogan.org

WHEN do I need to act?

- Parents are required to open a “Coogan” Trust Account” a.k.a. blocked trust account within 7 business days of the start of employment
- Parents are required to provide employers with a trustee’s statement**** (evidencing proof of the account) within ten business days after start of employment. Sample trustee’s statements are available at www.ChildrenInFilm.com
- Producers (employers) are required to deposit 15% of gross earnings directly into the minor’s “Coogan trust account” within 15 days of receiving a copy of the Coogan trust document

WHY is this law important?

- The Coogan Law was enacted to preserve and protect a portion of the minors’ earnings until the child becomes legally emancipated or reaches adulthood. It requires that the parent/guardian keep thorough, separate records of income and expenditures and protects parents from being sued

Definitions:

*Emancipation: A youth who is legally declared an adult (by a court) prior to age 18

**Artistic or Creative Services: include but are not limited to; services as an actor, actress, dancer, musician, comedian, singer, stunt-person, voice-over artist, or other performer or entertainer, or as a songwriter, musical producer or arranger, writer, director, producer, production executive, choreographer, composer, conductor, or designer

***Contracts: where a minor agrees to purchase, secure, sell, lease, license, or otherwise dispose of literary, musical, or dramatic properties, or use of a person’s likeness, voice recording, performance, or story of his/her life, either tangible or intangible, or any rights therein for use in motion pictures, television, the production of sound recordings in any format now known hereafter devised, the legitimate or living stage, or otherwise in the entertainment field

****Trustee’s Statement: The trustee needs to prepare a written statement, signed under penalty of perjury that includes the following information:

1. Name of the minor beneficiary
2. Name of the trustee (parent/legal guardians)
3. Name & address and phone # of financial institution
4. Account number

As of 1/1/2014
Minors performing as EXTRA’s
are exempt from CA Coogan Law

**Studio Teacher\Welfare Workers are not responsible for enforcing
Coogan Law requirements**