
COOGAN ACCOUNTS

What is the Coogan Law?

The Coogan Law was set up to protect your child's financial future (named after Jackie Coogan, who made a \$4 million fortune as a child, only to discover later that his mother and stepfather had spent it all). The Coogan Law was set up to protect the money a child earned in show business and stipulated that 50% net of the child's earnings be set aside in a blocked account. In the 1930's, the original Coogan Law protected child actors with long-term contracts; however, with the decline of the studio system, fewer and fewer children were bound by court approved contracts that required a mandatory amount of money to be set aside. As of January 1st, 1999 California's Coogan Law was updated for the first time since the late 1930s.

What are the new changes in California's Coogan Law?

The Coogan Law now covers 100% of all minors' contracts, whether court-approved or not. It requires that 15% of a child's gross earnings to be placed in a trust; the other 85% is allowed to be used for operating expenses such as manager and agent commissions, acting classes, photo shoots, transportation, tutoring, publicists and accountants. The Coogan Law establishes the earnings as separate property of the child, as opposed to community property of the parents. Additionally, the law requires producers and production companies to make deposits within fifteen business days after working on a production. Fifteen percent of your child's money will be pulled out from your check before it ever gets to your manager and agent. Make sure that each time you receive a check from your representation double check with your bank to make sure that 15% was indeed pulled out and deposited into your account.

How do I set up a Coogan Account?

To set up a Coogan Account, walk into a bank, savings and loan institution or credit unions within seven business days after the contract is signed and ask to set up a "Coogan Account." Make sure you ask for the branch manager since many tellers may not be familiar with Coogan Accounts. If your bank has questions and is not fully prepared to set this account up, contact the SAG Government Relations Department via email at govrelat@sag.org or by phone at 323-549-6663.