

Saver's Sweepstakes® Compliance Bites: State & Federal Laws

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Is this legal in Wisconsin?

- ▶ Usually, offering a prize + chance + consideration = illegal “lottery” in Wisconsin.
- ▶ Wis. Stats. §186.114 makes exception for prize-linked savings “qualifying accounts” if:
 1. No fee for depositor to enter;
 2. Account fees comparable with fees on other accounts;
 3. Each entry has equal chance to win;
 4. Participants need not be present to win; and
 5. Rates not reduced vs. other comparable accounts.
 - Each credit union chooses rates it will pay.

Is it legal in Minnesota? Illinois?

- ▶ Yes – both states allow “savings promotion raffles.”
- ▶ Both exempt such raffles from their state gambling laws.
- ▶ Both have conditions a lot like Wisconsin’s.



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What about other states?

- ▶ Not all states allow prize-linked savings.
 - May be illegal “gambling” elsewhere.
- ▶ Many states have prize-linked savings laws, but they’re not all the same.
 - E.g., some require detailed disclosures.
- ▶ Saver’s Sweepstakes is designed to comply with Wisconsin law.
 - Minnesota & Illinois laws are quite similar to ours.
- ▶ So, Saver’s Sweepstakes eligibility is limited: The primary account holder must reside in Wisconsin, Minnesota or Illinois.

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What about federal law?

- ▶ Federal laws bar many kinds of lotteries and gambling.
- ▶ 2014 American Savings Promotion Act made exceptions for insured institutions to conduct “savings promotion raffles.”
- ▶ Mailings still must comply with federal Deceptive Mail Prevention & Enforcement Act.
 - E.g., disclose amount of prize(s), no purchase necessary to win, etc.

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Need compliance information?

For any compliance or legal information,
call our compliance hotline
800-242-0833 (option 1)

–or–

Email our compliance mailbox
compliance@theleague.coop

– and –

Check out The League’s *ii Release No. 0184* for more
than 100 compliance FAQs on Saver’s Sweepstakes

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