

Saver's Sweepstakes® Compliance Bites: Accounts for Minors



Paul Guttormsson
VP, Legal & Compliance



Can minors hold accounts?

- ▶ Statutes don't bar minors from participating.
- ▶ Each credit union should address issue in a Saver's Sweepstakes policy.
- ▶ If credit union lets minors participate, options include:
 - Letting minors be joint on an adults' accounts;
 - Letting minors be sole account holder (or primary with others as joint) – but only if parent or guardian consents; or
 - Saver's Sweepstakes as custodial accounts (w/ consent).
- ▶ Credit union can set age limit for minors to participate.

Parent/guardian consent

- ▶ Parent/guardian consent necessary if:
 - Minor is sole account holder;
 - Minor is primary account holder on joint account; or
 - Custodial account held for minor's benefit.
- ▶ In each of these cases, the minor's name could be drawn as the winner.
- ▶ If minor is joint account holder (not primary), no need for consent, since his/her name not entered into prize drawings.

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Getting parent/guardian consent

- ▶ Consent language built into Saver's Sweepstakes Account Agreement:

PARENT/GUARDIAN CONSENT FOR MINOR

If the primary account holder is a minor, I represent and warrant that I am his/her parent or legal guardian. I have read and agree on behalf of the minor to the terms of this agreement, and I give my irrevocable consent for the minor to open a Saver's Sweepstakes account and participate in the Saver's Sweepstakes program.

Parent/Legal Guardian (*strike one*)

Print Name _____

Signature _____ Date: _____

- ▶ Consent allows the credit union to publicize name or photo of minor who wins.

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Custodial account opening

- ▶ Start by opening Saver's Sweepstakes custodial accounts just like ordinary custodial accounts:
 - Custodian completes & signs a custodial account ownership agreement (like WCUL #81036).
 - Best to name successor custodian.
 - See The League's *ii Release No. 0012* for details on custodial accounts.



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Custodial account opening, cont'd.

- ▶ You must also complete a Saver's Sweepstakes Account Agreement, naming minor as primary account holder (who's eligible to win prizes).
- ▶ Custodian signs in his/her capacity as custodian:

PRIMARY ACCOUNT HOLDER

Print Name _____

Signature _____ Date: _____

(If I am a fiduciary – such as a power of attorney agent, **custodian**, guardian or conservator – I sign in a representative capacity on behalf of the principal/ward I represent, whose name is _____ I understand that only he/she will be eligible to win Saver's Sweepstakes prize drawings and that any prizes won will belong solely to him/her, not to me.)

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Distributing prizes to minors

- ▶ If a minor wins, he/she gets the prize money.
 - Parents & guardians have no right to claim minor's winnings.
- ▶ Pay by cash, credit union check, or direct deposit to minor's membership share account.
 - Credit unions should not directly deposit prizes to any winners' Saver's Sweepstakes accounts.
 - Winners are free to deposit or move funds there themselves.

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When the minor turns 18

- ▶ If minor held sole account or joint account:
 - We suggest getting him/her to sign new Saver's Sweepstakes Account Agreement.
 - Ensures that person (who is now an adult) ratifies agreement and consents to publicity on his/her own.
- ▶ Custodial accounts remain under custodian's control until age 21, not 18.
 - Fact that it's a Saver's Sweepstakes account doesn't change this.

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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