

UNIFORM TRANSFER TO MINORS ACCOUNTS (UTMA)

Under the Louisiana Uniform Transfer to Minors Act (LAUTMA), a custodian (any adult) may want to set money aside for a minor as an **irrevocable gift**. In this case, the money belongs to the minor. If the custodian withdraws any of the money it **must** be used for the benefit of the minor, however, it is not the credit union's responsibility to assure that the funds are used for the minor. **Upon the age of 18 in Louisiana**, the funds will be turned over to the minor **by the custodian** by closing the account.

“Minor by Accounts” will no longer be opened.

All current “Minor by Accounts” will be reviewed in regards to its relation to UTMA. The account owners will receive a notice regarding UTMA accounts and will be requested to close the existing account and reopen the account as an UTMA account. The current account must be closed and a new account opened under UTMA.

Minor must be eligible to join the credit union.

(Refer to Field of Membership for Primary Member's Immediate Family)

The custodian must be a member of the credit union.

Only **one custodian and one minor** are allowed per account (NO joint owners).

Any adult may set up a UTMA for a minor, **however, the parent or legal guardian must certify the minor's SSN is correct prior to opening the account** by completing a W-9 Request for Taxpayer Identification Number and Certification. It is not required that this document be notarized.

A **legal guardian must** provide legal documents of his/her appointment as such for the minor.

A **custodian may nominate a successor custodian** at any time by executing and dating a Designation of Successor Account Owner as Custodian for UTMA Account before a notary. If the instrument does not contain a resignation of the custodian, the designation of the successor does not take effect until the custodian resigns or dies.

A **custodian may nominate a successor custodian**, in the event the first custodian dies. The nomination may be in a will, a trust, a deed, or in a writing designating a beneficiary. The credit union will need the following:

- Original or certified copy of the instrument (will, trust, deed)
- Death certificate of custodian
- Successor custodian must sign an Indemnity and Hold Harmless Agreement stating that the instrument is valid, has not been revoked, and he/she is requesting transfer

In the event of the **death of the minor**, the minor's estate will receive the funds.

- The credit union should be provided:
 - a certified copy of the minor's death certificate
- The custodian would transfer the custodial property (UTMA) to the minor's estate
- The transfer instrument (check) should read:
"As custodian for the Estate of (Name of Minor) under the Louisiana Uniform to Minors Act"

In the event of the **death of the custodian**, the guardian of the minor will name a successor custodian unless the minor is 14. **If the minor is 14**, the minor can name as the new custodian, an adult member out of his/her family as long as the minor names the new custodian *within sixty days*. If this times lapses then the guardian or other parent of the minor becomes the new custodian.

Setup of Account

- Minor owns the account
- Minor's social security number is used
- Custodian signs account card (ex: Sally Moore as custodian)
- Minor has no access to funds
- Account cannot be a Payable on Death Account (POD)

The custodian **cannot** use the minor's funds that have been placed in the UTMA as collateral for their own personal loan.

Insurance

Account is insured as an individual account for the minor.

IRS reporting

Account is reported in social security number of minor

Required Information for Minor and Custodian Prior to Opening Account

- Name
- Address
- Date of Birth
- Social Security number
(Minor must be a US Citizen under our Policy for Membership by Non-U.S. Citizens)

Documentary Requirements for Minor

- Social Security Card
- Student Identification Card **if possible**
- **W-9** Request for Taxpayer Identification Number and Certification (signed by parent or legal guardian)

Documentary Requirements for Custodian

- Current Driver's License with correct current mailing address
- Social Security Card