Important Notice For I.A.T.S.E Annuity Fund Participants

The C.A.R.E.S. Act – Relief of the 10% Penalty explained

One of the many components of the C.A.R.E.S. Act that was signed to provide relief to Americans facing hardships during the Coronavirus pandemic was the elimination of the early withdrawal penalty for hardship withdrawals from an annuity and/or 401(k) plan for amounts up to $100,000.00. The I.A.T.S.E. Annuity Fund is composed of pre-tax employer contributions and for some of you, pre-tax salary contributions. When you take a withdrawal the IRS will compute income tax (withholding) on the amount you withdraw in addition to your earnings in the year you take the withdrawal. Before the relief granted by the C.A.R.E.S. Act there was also a 10% early withdrawal penalty imposed by the IRS if you were under age 59 ½ in the year in which you made the withdrawal. This is the penalty that the Act eliminated. Please note that when you file your taxes for this year, if you take a withdrawal this year, you will have income taxes imposed by the IRS but no penalty so long as the amount of your withdrawal is under the $100,000.00 threshold.

There are no, and there has never been, fees or penalties of any type imposed by the Annuity Fund for withdrawals.

I hope this helps to explain this. On behalf of everyone at the National Benefits Fund Office I wish you well during this most difficult time.

Anne J. Zeisler
Executive Director
IATSE National Benefit Funds