



January 17, 2025

I.A.T.S.E. ANNUITY FUND Hardship Distributions for Economic Losses Due to the California Wildfires

As a reminder, the I.A.T.S.E. Annuity Fund allows Participants to take hardship distributions from their accounts for expenses and losses (including loss of income) they incur on account of a disaster declared by the Federal Emergency Management Agency (FEMA), such as the recent California Wildfires. Under the Fund's rules, a Participant may take one of these hardship distributions if their principal residence *or* principal place of employment was located in an area designated by FEMA for individual assistance. The Fund does not impose a dollar limit on the amount of the distribution (up to your account balance).

If you take one of these hardship distributions from the Fund, you may be eligible for relief from certain federal taxes on the distribution, as described below:

Special Tax Relief for Qualified Disaster Recovery Distributions

The following federal tax relief applies to hardship distributions that meet the definition of a Qualified Disaster Recovery Distribution under the federal SECURE 2.0 Act:

- The IRS 10% early distribution penalty (for those under age 59.5) is waived.
- The distribution may be repaid within three years:
 - The distribution can be repaid to any retirement plan that accepts rollovers (including the Annuity Fund),
 - The repayment can be made in on or more installments,
 - The repayment will be treated as an eligible rollover, and
 - You are not taxed on the distribution if you repay the distribution to a qualified plan within the three-year period.
- If you do not repay the distribution to an eligible retirement plan, income taxes on the distribution may be paid ratably over three years.

What Is a Qualified Disaster Recovery Distribution Eligible for this Special Tax Relief?

Your hardship distribution from the Fund will be eligible for the special tax relief if:

1. You experienced an “economic loss” due to a disaster which was declared a “major disaster,” such as the recent California Wildfires (and Hurricanes Helene and Milton). To determine if a specific disaster qualifies, you can use the [FEMA disaster declaration search tool](#), filtering for declaration type: Major Disaster Declaration.

Examples of an “economic loss” include:

- Loss, damage to, or destruction of real or personal property from fire, flooding, looting, vandalism, theft, wind, or other cause,
- Loss related to displacement from the individual's home, or

- Loss of livelihood due to temporary or permanent layoffs.
2. Your principal residence was located in the disaster area, and
 3. The hardship distribution is taken on or after the start of the disaster (as determined by the federal government) and within 180 days of the first day of the period of the declared disaster or, if later, the date of the disaster declaration.

The federal tax relief only applies to distributions of up to \$22,000. If your hardship distribution from the Fund exceeds that amount, you will only be eligible for the tax relief with respect to \$22,000 (from all plans maintained by your employer) if the above requirements are met. As noted, the Fund's rules are broader than the tax relief rules – the Fund allows these types of hardship distributions to be taken by Participants whose principal employment (not just principal residence) was located within a disaster area and also does not limit the distributions to \$22,000.

If you receive a distribution that meets the above requirements for a Qualified Disaster Recovery Distribution, you are eligible for the tax relief described above even though the Fund does not label the distribution as a “Qualified Disaster Recovery Distribution.” Generally, you will need to identify the distribution as a Qualified Disaster Recovery Distribution on your tax return and complete any required forms, currently IRS Form 8915-F. *Please consult your tax advisor regarding the tax consequences and reporting of any distribution.*

Please also note that if you take a different type of distribution from the Fund (i.e., a distribution other than a hardship distribution), such as a distribution due to termination of covered employment, you may be subject to mandatory 20% federal tax withholding on the distribution. IRS requires the Fund to withhold federal taxes in certain circumstances. However, remember that you do not necessarily owe in federal taxes the amount that the Fund withholds – you could owe more or less in taxes on the distribution. If you meet the requirements for the tax relief, you may be entitled to a credit toward your federal taxes for the amount of any withholding.

Repayment of a Qualified Disaster Recovery Distribution

For information on repayment of a Qualified Disaster Recovery Distribution, contact the Fund's recordkeeper, The Principal, at 800-547-7754.

Further Information

If you have questions, or need further information or a hardship application, you can contact the Fund Office by email at annuity@iatsenbf.org; by telephone at 212-580-9092, or Toll Free (outside New York State) at 800-456 FUND(3863); or by mail at IATSE National Benefit Funds Office, 417 Fifth Avenue, 3rd Floor, New York, NY 10016-2204.