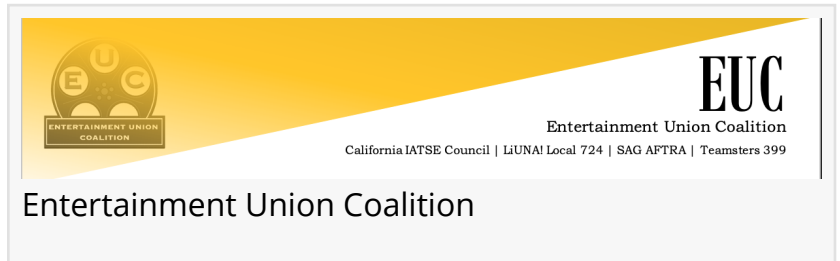


Entertainment Union Coalition Joins Governor Newsom, Assemblywoman Friedman and California Legislature to Enact AB 276

Bill Ensures No California Tax Penalties on Loans Taken from Employer Sponsored Qualified Retirement Plans During COVID Pandemic

LOS ANGELES, CA, USA, September 12, 2020 /EINPresswire.com/ -- Contacts:
Thom Davis, CIC
818- 599-1612
Pamela Greenwalt, SAG AFTRA
323-440-2892
Ed Duffy, Teamsters Local 399
(310) 849-2522
Alex Aguilar, Laborers Local 724
213-999-5702



Entertainment Union Coalition Joins with Governor Newsom, Assemblywoman Friedman and California Legislature to Enact AB 276

Bill Ensures No California Tax Penalties on Loans Taken from Employer Sponsored Qualified Retirement Plans During COVID Pandemic

Governor Newsom's signature on Assembly Bill 276 (Friedman), a bill eliminating a potential tax trap for Californians needing to borrow from their employer-sponsored retirement plan during the COVID-19 pandemic, was heralded by the Entertainment Union Coalition (EUC), comprised of the California IATSE Council, Laborers Local 724, Teamsters Local 399 and SAG AFTRA.

"In these difficult times, our members across California need access to their retirement funds to support themselves and their families during the current COVID Pandemic. AB 276 will allow them to do that without incurring a penalty or unintended income tax payments," a statement from the EUC said. "We thank the Governor and the bill's author, Assembly Member Laura Friedman, for their support of working people statewide. We are glad that our concern for our

members has led to protection for working women and men in similar circumstances throughout the State.”

The legislation, which passed through the California Legislature with unanimous support, put California in conformity with provisions in the federal Coronavirus Aid, Relief and Economic Security (CARES) Act which removes penalties and improves access for those needing to take a loan from their employer-sponsored defined contribution plan. While California automatically conformed to some provisions of the CARES Act, it did not with others, creating the possibility that Californians taking a loan from their qualified retirement plan that met the requirements of the CARES Act could find themselves facing a tax penalty and unintended tax consequences for California state purposes. AB 276 rectifies that situation by fully conforming California law to the CARES Act with regard to the tax treatment of such loans.

The EUC members became aware of this potential problem very early in the Pandemic. When the California economy shut down in early March, the entertainment industry went from close to 100% employment to close to 100% unemployment. Consequently, many entertainment industry workers turned to their employer sponsored defined contribution plans (which are labor-management ERISA plans) to support themselves and their families. Since mid-March those plans have seen thousands of members withdraw millions in loans from the Motion Picture Industry Pension & Health Plans.

The concern was that these members, thinking tax penalties had been removed under the CARES Act, would find themselves suddenly and unexpectedly confronted with a California tax penalty for their loan withdrawal. EUC immediately sought to work with Assemblywoman Friedman, the members of the California Legislature and Governor Newsom, to ensure this “trap for the unwary” would not happen.

AB 276 became effective immediately upon the Governor’s signature and applies to loans from an employer sponsored qualified retirement plan during the 180 day period beginning on March 27,2020.

The Entertainment Union Coalition (EUC) is an entertainment industry multi-union organization that speaks as a unified voice for its members on public policies issues in California that impact the economic livelihoods, health and pensions, safety, right to organize, and creative interests of the members of the EUC Guild and Unions. Members are the California IATSE Council, Laborers Local 724, Teamsters Local 399, and SAG-AFTRA, representing 145,000 women and men in the entertainment industry who live and work in California.

Rick Markovitz
Weissman/Markovitz Communications
+1 818-760-8995
[email us here](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/526097941>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2020 IPD Group, Inc. All Right Reserved.