



## CARES Act Pandemic Unemployment Assistance FAQ

The CARES Act creates a new, temporary Pandemic Unemployment Assistance (PUA) program through the end of 2020 to help people who lose work as a direct result of the public health emergency. This program provides a special unemployment compensation program for gig workers, independent contractors, self-employed individuals, and individuals whose work histories might not otherwise qualify.

### Do I Qualify?

The CARES Act expands eligibility for unemployment insurance to support all workers currently experiencing a loss of income as a result of COVID-19. For athletes, this may include earnings such as missed prize money, competition earnings, sponsor and speaking commitments, training revenue, etc. Benefits may also be available for eligible independent contractors (ICs). You will need to show documentation of your previous income.

#### RELIEF FOR WORKERS AFFECTED BY CORONAVIRUS ACT

Pandemic Unemployment Assistance (PUA)

Pandemic Unemployment Assistance (PUA) provides payment to workers not traditionally eligible for unemployment benefits (self-employment, independent contractors, worked with limited work history, and others) who are unable to work as a direct result of the Coronavirus public health emergency.

COVID-19 SCENARIOS	Covered	Not Covered
Diagnosed with COVID-19 or with COVID-19 symptoms and seeking diagnosis	✓	
Member of household has been diagnosed with COVID-19	✓	
Providing care for family or household member diagnosed with COVID-19	✓	
Primary caregiver for child unable to attend school or another facility closed due to COVID-19	✓	
Unable to reach place of employment due to an imposed quarantine or because advised by medical provider to self-quarantine due to COVID-19	✓	
Scheduled to commence new employment and cannot reach workplace as a direct result of COVID-19	✓	
Became major breadwinner because head of household died from COVID-19	✓	
Quit job as a direct result of COVID-19	✓	

#### RELIEF FOR WORKERS AFFECTED BY CORONAVIRUS ACT

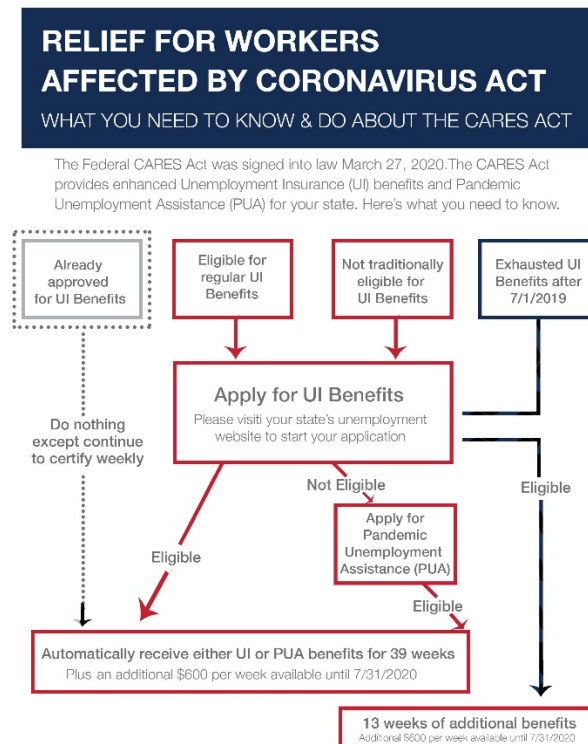
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COVID-19 SCENARIOS	Covered	Not Covered
Place of employment closed as a direct result of COVID-19	✓	
Self-employed/Independent Contractors/1099 filers/Farmers - and affected by COVID-19	✓	
Seeking part-time employment but affected by COVID-19	✓	
With insufficient work history and affected by COVID-19	✓	
Otherwise not qualified for regular or extended UI benefits and affected by COVID-19	✓	
Individuals that can telework with pay		X
Individual receiving paid sick leave or other paid leave benefits (regardless of meeting category listed above)		X

## How does unemployment work?

Qualifying for unemployment benefits can provide a significant relief, however, it won't replace your full paycheck. Unemployment compensation is intended to replace part of your previous income. The compensation you may be eligible to receive depends on the amount you earned while working. Each state uses past earning to determine your benefit amount. Some will use the most recent quarter of earnings, while other will use an annual average over four quarters.



## What documentation do I need to sign up for unemployment insurance?

Your state will ask for basic information during the application process, including:

- Your name, birthday and Social Security number
- Your last employer's information, including company name, supervisor's name, address and phone number
- The last date you worked and the reason you are no longer working
- Your gross earnings in the last week you worked (starting Sunday and ending with your last day on the job)
- You may also be asked about the other employers you worked for in the past 18 months, including the employer name, address, dates of employment, gross wages earned, hours worked per week and hourly rate of pay, and the reason you are no longer working.

This means keeping documentation about your previous income and wages is key. For employees, this information can be found on your W-2 or paystubs. **For independent contractors, this can be found on your 1099.**

### **What is the process for gig economy workers or independent contractors?**

Freelancers, gig economy workers, and independent contractors may file for unemployment insurance from a new program called **Pandemic Unemployment Assistance**, which is still being set up by the Labor Department and state officials, and could take longer to be ready. When the program is available, it can be accessed on state unemployment websites where individuals may apply for regular unemployment insurance. Check your state's website for guidance on when and how to apply, if you fall into this category. *Filing as an employee as opposed to an IC may delay receipt of any eligible benefits.*

### **What documentation do freelancers or independent contractors who rely on invoices or cash need to prepare to receive benefits?**

Keeping documentation about your previous income and wages as a freelancer, independent contractor or self-employed worker is important and will help you when filing for unemployment. Keep documentation about both your previous source(s) of income and how much you have been paid per month in the past (i.e. old tax returns and invoices are good examples).

If you lack documentation, you may file good-faith attestations about your wages to unemployment offices — but documents are preferred.

### **If I'm self-employed and receive my income through multiple places, can I get benefits for the lost income while still receiving the other?**

Though part-time workers are eligible for expanded benefits, the answer to this question depends on whether the weekly earnings from the income you are receiving erases the partial benefit credit you would receive from unemployment.

In simplest terms, the closer the income that you are currently receiving is to the income you are losing, the less likely you are to receive benefits. The bigger the difference (i.e. you are losing more than you are receiving), the more likely you are to be eligible for benefits.

### **What if I had events or work that is now rescinded or up in the air due to coronavirus?**

Again, you are eligible for the expanded unemployment benefits. Having documentation here is also important if you can get it. For instance, providing a written statement of both your offer and a rescindment or postponement of that offer to your state's unemployment office can be helpful when filing for unemployment.

### **What do I need to do?**

1. Gather your recent tax returns (2018 completed and 2019 earning if you haven't filed yet). You will need your Schedule C (**line 31 of Schedule C is your net annual income**).
2. Go to your state's unemployment website (find your state [here](#)).
  - a. You will need to file in your state of residency (i.e. where you file taxes), which may be different than where you are currently residing.

3. File your unemployment insurance claim online. Unfortunately, the unemployment compensation websites are still being updated to take the new law into account, and the instructions may be confusing for independent contractors. In addition, the sites are being inundated with applications. Phone calls are going unanswered due to sheer volume. The best thing to do at the moment is to fill out the form with as much accuracy as possible. Your state will follow up with any questions or additional clarity needed when they review your application.
  - a. Use your tax form to determine your average weekly/monthly earnings as an *independent contractor*. *Do not include any wages that you earned through a W2 (employer)*.
  - b. If it asks for your most recent employer, **Do Not** list the NGB or Region as your employer. You should list yourself and indicate you are self-employed.
    - i. Last Employer Name: "Self-employed"
    - ii. Address: Enter either your business or residential address
    - iii. Employer's phone number: Enter either your business or cell number
4. Use your recent tax returns to provide an accurate snapshot of your previous income.

#### **If approved, how much will I receive?**

The dollar amount of unemployment benefit will depend on which state you are in and your income history as an independent contractor. The benefits typically range from 20-50% of what you previously earned, together with the extra \$600 per week provided by the CARES Act.

#### **If approved, how long am I eligible for benefits?**

Most states provide for 26 weeks of benefits. The CARES Act provides eligible employees and independent contractors with an additional 13 weeks. You are eligible as long as you are unable to return to your work as an independent contractor. If approved for unemployment, most states require weekly or bi-weekly check-ins where you will need to provide an update on your working status.

**\*\*Each state has different eligibility requirements.**

**Filing a claim does not guarantee you will receive unemployment compensation through the CARES Act.\*\***