



Phillips Lytle LLP

CARES Act: Unemployment Issues for Independent Contractors and Self-Employed Workers

Unites States Tennis Association
Webinar

James R. Grasso, Esq.

April 29, 2020





CARES Act - 3 Unemployment Programs

3 CARES ACT UNEMPLOYMENT PROGRAMS



The **Federal Pandemic Unemployment Compensation (FPUC)** program provides an extra \$600 a week in benefits.



The **Pandemic Emergency Unemployment Compensation (PEUC)** program extends eligibility for unemployment benefits by up to an additional 13 weeks.

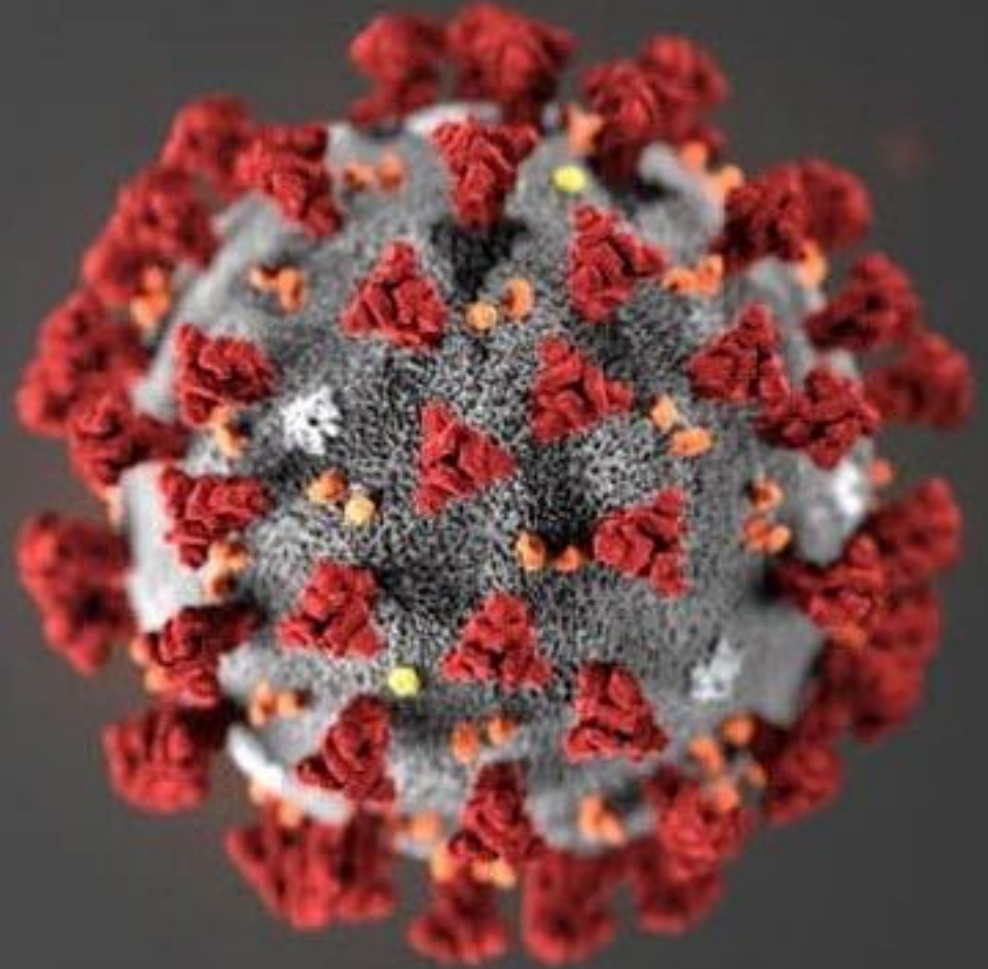


The **Pandemic Unemployment Assistance (PUA)** program provides unemployment benefits to independent contractors, gig workers and the self-employed.



Phillips Lytle LLP

Pandemic
Unemployment
Assistance –
Independent
Contractors and
other Self-Employed
Individuals





Am I eligible for unemployment benefits if I am a freelancer, independent contract or other self-employed tennis professional?

- Yes, Pandemic Unemployment Assistance (PUA) provides regular state unemployment benefits if you are unemployed, partially employed, or unable or unavailable to work because of reasons related to the COVID-19 public health emergency.
- COVID-19 related reasons include the following, among others:
 - Your place of employment is closed or cannot operate
 - You are subject to a “stay-in-place” order
 - You have to stay home to care for a child whose school or care facility is closed.



Do I have to be a citizen of the United States to receive unemployment benefits?

- If you were legally authorized to work in the U.S. when you were working then in most circumstances you will be eligible for unemployment benefits under the CARES Act.
- You should consult the specific requirements in the state in which you were working.



How and where do I apply for unemployment benefits?

- You must file your claim with the state where you were working when you became unemployed or unable to work.
- If you worked in more than one state you may file in any of the states in which you worked.
 - You should determine which state has the highest benefit



How can I locate the state unemployment agencies to file an unemployment claim?

- You can locate the state unemployment agencies by visiting this United States Department of Labor website:
<https://www.dol.gov/coronavirus/unemployment-insurance>



Do I have to provide proof that I was employed?

- No. Independent contractors and other self-employed persons applying for PUA are only required to self-certify, under penalty of perjury, that they are unable to work because of one of the COVID-19 related reasons listed in the CARES Act.



How will I know if I'm determined to be eligible for benefits?

- The state unemployment agency will notify you whether you are determined to be eligible or ineligible for benefits, including the amount of any regular unemployment benefits you will receive and continuing eligibility requirements.



What income will be used to determine my regular unemployment benefit amount?

- The state unemployment agency will consider your self-employment income from the prior tax year (2019).



How do I establish my income for 2019?

- You should submit your 2019 tax return.
- If you have not yet prepared your 2019 return, you should submit documentation of earned wages in 2019, such as:
 - Pay check stubs
 - Bank deposit receipts
 - Business records
 - Invoices and billing statements



What is the most that I can receive in regular unemployment benefits?

- The amount of regular state unemployment benefits you receive will depend on the state from which you receive benefits. Each state sets its own weekly benefit limits.
 - lowest maximum - Mississippi \$235
 - highest maximum - Washington \$790



What if I don't have records to establish my income for 2019?

- If you don't have sufficient records to establish your income for 2019 you will receive the minimum PUA weekly benefit, which is 50% of the average weekly payment of regular unemployment compensation in the state from which you receive benefits.
- You can submit additional documents at any time through December 31, 2020, to substantiate your 2019 income and your benefits will then be recalculated for all weeks that you are determined eligible for benefits and you will receive a supplemental payment.



Is there a waiting period before I am eligible for unemployment benefits?

- All waiting periods have been suspended through December 31, 2020, meaning that benefits are now available from the first day a person is unable to work because of a covered COVID-19 related reason.



When should I file my unemployment claim?

- You usually should file a claim in the first week you experience a loss of employment.



How long do regular unemployment benefits last?

- The length of unemployment benefits is set by the state that pays you benefits.
 - 42 states and Puerto Rico and Washington, D.C. provide 26 weeks
 - Montana - 28 weeks
 - Idaho - 21 weeks
 - S.C. and Arkansas - 20 weeks
 - Alabama - 14 weeks
 - Missouri - 13 weeks
 - Florida and N.C. - 12 weeks



Are unemployment benefits under the retroactive?

- Yes. You can receive unemployment benefits for periods of unemployment beginning on or after January 27, 2020.



If I still work part-time, am I eligible for unemployment benefits?

- It depends on the state from which you are eligible to receive benefits.
- You should contact the unemployment agency in the state that you apply for benefits to determine whether you can still receive benefits while working part-time.



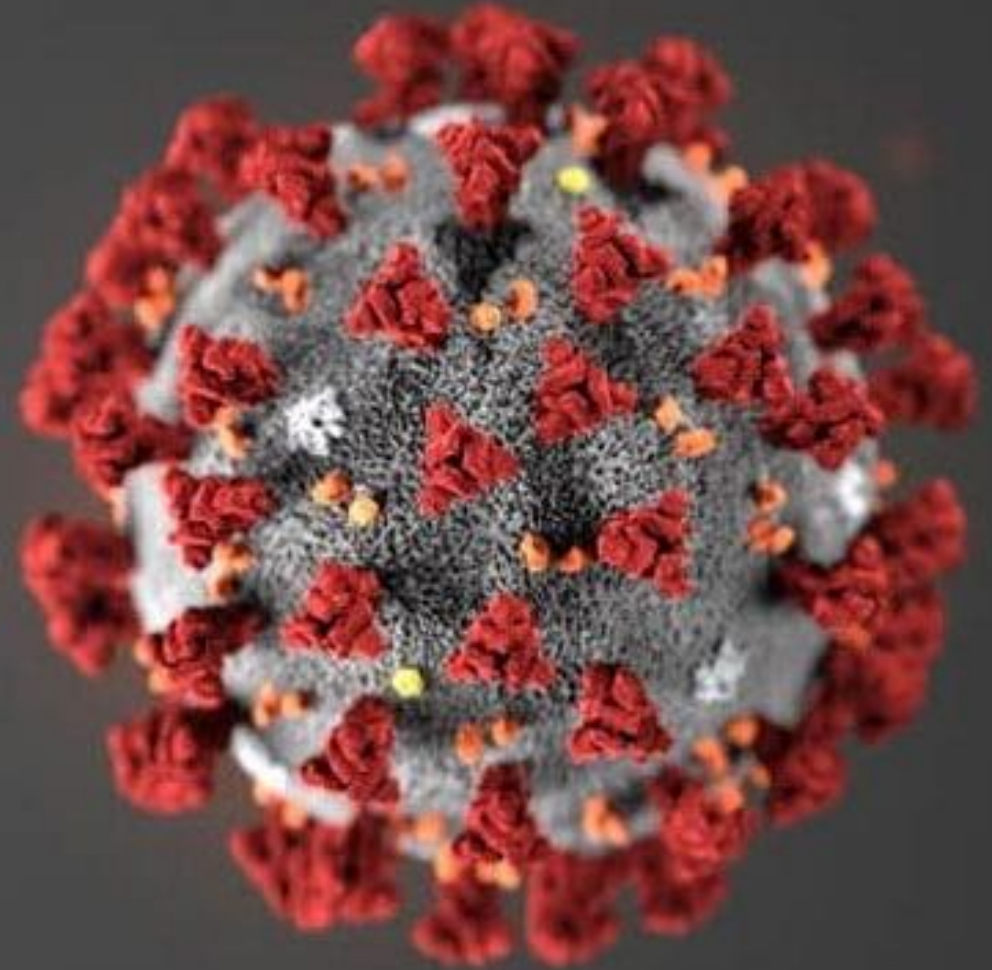
I provide my tennis professional services through a limited corporate entity, such as a limited liability company or an S or C corporation, can I still receive unemployment benefits?

- If you receive a salary and your corporate entity has unemployment insurance, you may be eligible for unemployment as an employee if you are unable to work, either fully or partially.
- If your corporate entity does not have unemployment insurance, you may be eligible to apply for unemployment as a self-employed individual; however, you likely would have difficulty certifying that you are unable to work if you continue to be paid a salary.



Phillips Lytle LLP

Pandemic
Emergency
Unemployment
Compensation— 13
week extension of
regular
unemployment
benefits





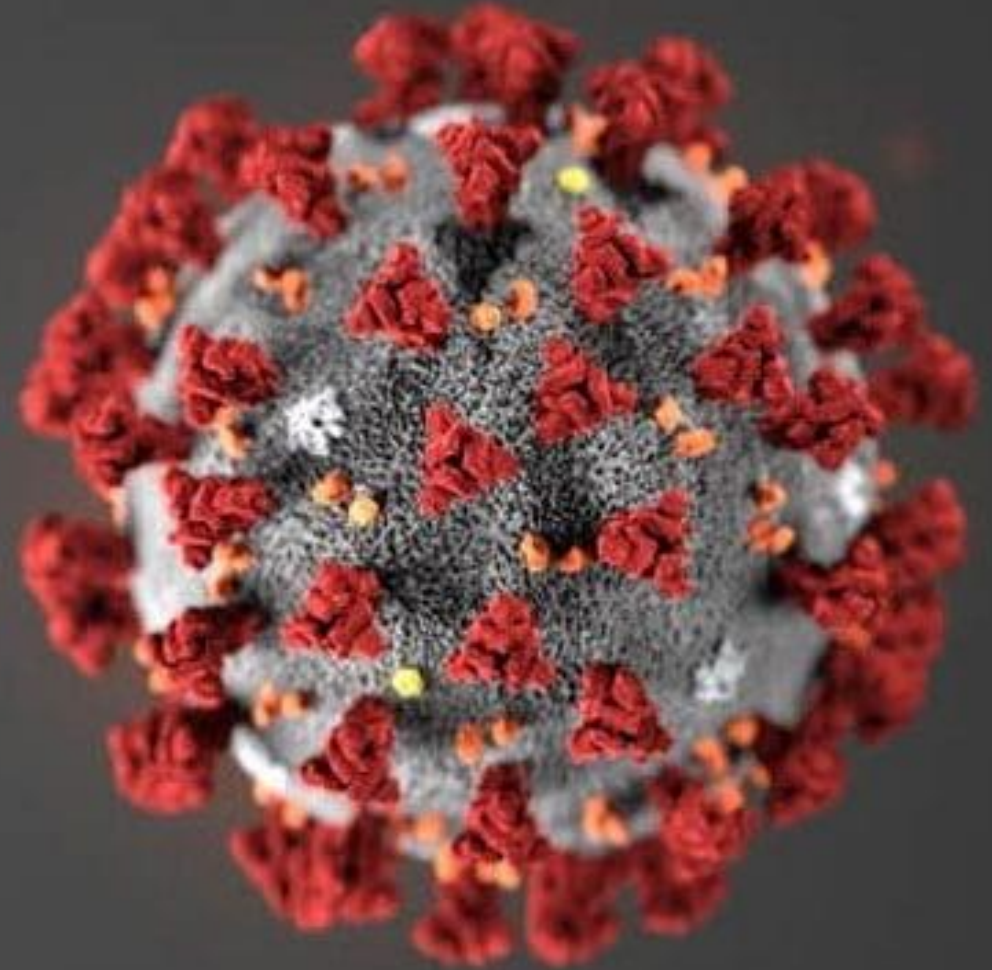
Pandemic Emergency Unemployment Compensation – Extension of unemployment benefits

- Pandemic Emergency Unemployment Compensation (PEUC) Act extends the length of unemployment benefits in all states by 13 weeks, through December 31, 2020.
- For example, those states that normally provide 26 weeks will now provide 39 weeks of regular benefits through December 31, 2020.



Phillips Lytle LLP

Pandemic
Unemployment
Compensation
–Additional \$600
Payment





Will I also be eligible for the extra \$600 Pandemic Unemployment Compensation payment?

- Yes. If you receive at least \$1 in regular state unemployment benefits you will be eligible for the extra \$600 federal unemployment payment.
- The extra payment ends on July 31, 2020.
- Foreign nationals should consult the specific requirements of the state(s) in which they worked to determine if they are eligible for the extra \$600 payment.



Phillips Lytle LLP

Thank You



James R. Grasso



@PhillipsLytle



@PhillipsLytle



[linkedin.com/company/phillips-lytle-llp](https://www.linkedin.com/company/phillips-lytle-llp)