CARES Act Unemployment for Independent Contractors and Gig Workers

THE ONLINE APPLICATION FOR THE PANDEMIC UNEMPLOYMENT ASSISTANCE PROGRAM IS NOW AVAILABLE AT
www.mass.gov/how-to/apply-for-pandemic-unemployment-assistance

Due to the Coronavirus outbreak, many individuals have found themselves seeking assistance navigating the waters of unemployment. The Arts & Business Council of Greater Boston is committed to helping our community of artists and arts organizations through this challenging time by being a resource for both information and personal assistance as they work through these circumstances.

What is the CARES Act?
The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, and provides $250 billion in federal funding allocated to unemployment support due to the pandemic. Key points of the CARES Act:

- Relaxes eligibility criteria for unemployment
- Extends duration of benefits
- Increases amount of money people receive

CARES Act Benefits Overview

- Extends regular weekly benefits for up to 39 weeks
  - Massachusetts benefits are typically 50% of average weekly wage (max. $823/week)
- Workers are eligible for $600 weekly benefit in addition to state unemployment payments under Federal Pandemic Unemployment Compensation (FPUC)
  - Massachusetts Department of Unemployment Assistance (DUA) will add additional $600 to weekly benefits, retroactive to March 29, 2020, and extending to July 25, 2020 for individuals who are collecting:
    - Regular Unemployment Compensation (UC)
    - Pandemic Emergency Unemployment Compensation (PEUC)
    - Pandemic Unemployment Assistance (PUA)
    - Extended Benefits (EB)
    - Trade Readjustment Act (TRA), and
    - Disaster Unemployment Assistance (DA)
  - These benefits will be disbursed immediately to individuals already collecting unemployment benefits on regular UC claims.
  - Those receiving PEUC, PUA, and EB will receive the additional $600 payments retroactive to March 29 as soon as their claims are processed and determined eligible.

Pandemic Unemployment Assistance (PUA) Program

Eligibility
Section 2102 of the CARES Act established a Pandemic Unemployment Assistance program, which provides expanded unemployment benefits individuals who are:

- Self-employed, including gig workers, freelancers, and independent contractors
- Seeking part-time employment
- Have insufficient work history to qualify for benefits
• Have exhausted all rights to regular or extended benefits under state or federal law or PEUC
• Have been laid off from churches and religious institutions and are not eligible for benefits under state law
• Are otherwise not qualified for regular or extended benefits or PEUC

You must self-certify that you are otherwise able and available to work, but are prevented from doing so by one of the following COVID-19-related circumstances:
• You have been diagnosed with COVID-19 or are experiencing symptoms and are seeking a diagnosis
• A member of your household has been diagnosed
• You are providing care to a household or family member who has been diagnosed
• A child or other person you have primary caregiving responsibility for is unable to attend school or another facility as a result of COVID-19
• You are unable to reach your place of employment because you were advised by a health care provider to self-quarantine
• You were scheduled to start work and do not have a job as a result of COVID-19
• You had to quit your job because of COVID-19
• Your place of employment is closed because of COVID-19
• You work as an independent contractor and the COVID-19 public health emergency has severely limited your ability to continue performing your usual work activities, and are thereby forced to stop performing those activities

You are not eligible for PUA if:
• You are able to telework with pay
• You are receiving paid sick or other leave
• You are eligible for regular unemployment benefits

Claiming PUA in Massachusetts
PUA benefits are now available in Massachusetts. You can file a claim online here.
• Eligible claimants under PUA will be retroactively compensated with this benefit beginning February 2, 2020 or the first week a claimant was unable to work as a result of COVID-19, whichever date is later.
• This benefit is payable until the week ending December 26, 2020.
• Additional updates will be posted at www.mass.gov/unemployment/covid-19 as soon as they are available.

Information and Documents Needed to Apply for PUA Benefits
• Social Security Number
• Alien Registration Number, if not a U.S. Citizen
• Residential address
• Mailing address (if different from residential address)
• Telephone number
• Email address
• Date of birth
• Wage records from 2019, including:
  o 1099 forms
  o Pay stubs
  o Bank statements
• Social Security Numbers and birth dates for dependent children, if applicable
Bank account and routing number for direct deposit (optional)

Pandemic Emergency Unemployment Compensation (PEUC)

- The PEUC program provides up to 13 weeks of unemployment insurance benefits to individuals who have exhausted their previous unemployment benefits.
  - The first week a claimant can be compensated on this benefit is the week beginning March 29, 2020.
  - This 13-week extension ends December 31, 2020, unless extended further by the federal government.
- The weekly benefit amount will be the same as your weekly benefit amount during your benefit year, including dependency allowances, plus the $600 FPUC weekly benefit.
  - Note: the FPUC benefit is only available for the period March 29, 2020 – July 25, 2020.

PEUC Eligibility

There are four major requirements:

1. The benefit year for your claim for regular UI must have expired after July 1, 2019.
2. Those seeking PEUC cannot otherwise have rights to benefits under state or federal law.
3. You cannot be receiving benefits from Canada.
4. You must be able to work, available to work, and actively seeking work, except that a state shall apply flexibility in meeting work search requirements for individuals unable to search for work because of COVID-19, including because of illness, quarantine, or movement restriction.

How to Apply for PEUC

- Individuals who have exhausted their UI benefits after July 1, 2019 may receive PEUC by successfully applying to PUA. If you are approved for PUA, you will receive information on transferring to PEUC as soon as it is available.

FAQs: Unemployment, PUA, and PEUC

I am self-employed but also had another (W-2) job in 2019. Where should I apply?
If your W-2 income from 2019 is over $5,100, you must apply under the traditional Unemployment Insurance system first. If you are denied, you may then apply for PUA.

Do I still need to certify my unemployment every week if my application is still pending?
Yes. You must certify every week that your work is impacted by COVID-19, or you will not receive benefits for that week. If you are still receiving income, you must provide that information for the week you worked, not the week you were paid.

I worked in multiple states. Where do I apply?
The general rule is to apply for unemployment where you worked, as long as you qualify for unemployment benefits in that state. The Department of Unemployment in that state will collect wages from the other states where you worked to provide your benefits. You may not apply for unemployment benefits in more than one state.
*Massachusetts typically has the best unemployment benefits (in New England), so if you earned income in Massachusetts, we recommend you apply with the Massachusetts DUA.

Do I need to actively search for work?
If you are unable to work due to COVID-19, as long as you stay in contact with your employer and are available to return to work when asked, you satisfy the work search, availability, and capability requirements.

If your current unemployment claim is not due to COVID-19, you will still need to conduct a weekly work search. Acceptable work search activities include reviewing job postings online and working on your resume. You do not need to accept work offered to you if you are under quarantine or have been instructed to stay at home.

**How much will I receive in PUA benefits?**
The amount of PUA benefits you will receive is based on your previous income reported. PUA benefits may not be more than the state’s maximum weekly benefit rate for regular unemployment benefits ($823 in Massachusetts).

All individuals collecting PUA will also receive $600 per week from FPUC, in addition to the weekly benefits as calculated above. FPUC payments will be made for the weeks ending April 4, 2020 through July 25, 2020.

**I am self-employed or a gig worker and did not receive regular paychecks. How do I calculate my income?**
You may use a variety of documents, including W-2s, 1099s, tax returns, pay stubs, bank receipts, and billing notices. Retain all documents establishing your income for verification purposes.

**My hours have been reduced. Can I collect benefits under PUA?**
If you are working fewer hours due to COVID-19 and it has resulted in a loss of income, and you are not eligible for regular unemployment benefits, you may be eligible for PUA. You must report any income you still receive while getting benefits, and your weekly benefits may be reduced based on your earnings.

**I am self-employed and my income/hours have greatly declined because of COVID-19. Am I eligible for PUA?**
Self-employed individuals, independent contractors, and gig workers who have had to suspend their work, or had a significant reduction in work, because of COVID-19 may be eligible for PUA. In cases where an individual has partial earnings, those earnings must be reported, and their weekly benefit amount may be reduced.

**I am a small business owner. Am I eligible for PUA?**
You may be eligible for PUA if your primary source of income is from work you do for your own business.

**Can I apply for PUA if I am currently receiving or am eligible for regular unemployment?**
No. PUA benefits are not payable to individuals eligible for traditional unemployment insurance.

**How do I determine if I should apply for regular unemployment benefits or PUA?**
If you answer “yes” to any of the following, file a claim for regular unemployment benefits to see if you are eligible before filing a claim for PUA:
- Did you earn more than $5,100 in 2019 working for an employer who took taxes out of your paycheck?
- Did you earn more than $5,100 in 2019 working for the federal government or military?
- Are you eligible for, or receiving, benefits from other unemployment insurance programs, such as regular unemployment benefits, Trade Readjustment Allowances (TRA), Disaster Unemployment Assistance from a prior natural disaster, or WorkShare benefits?
• Did you work in another state in addition to working in Massachusetts in 2019?
• If you filed a claim for unemployment assistance in the past 52 weeks, did you return to work or stop working collecting benefits before you claimed all the available benefits on that claim?

What if I previously applied for unemployment?
If you have a pending application for unemployment, do not apply for PUA. If you applied for and did not qualify or were denied for regular employment, then apply for PUA if you are out of work due to COVID-19.

Will I have to pay taxes on unemployment benefits I receive?
Yes, all PUA and FPUC benefits will be subject to Massachusetts and federal taxes.

I recently exhausted my unemployment benefits. What should I do?
Individuals who have exhausted their right to unemployment benefits can now apply for PUA. If you have already exhausted your unemployment benefits and apply and get approved for PUA now, you will receive information on transferring to PEUC as soon as it is available.

I receive Social Security and/or Pension benefits. Will that impact my eligibility for Unemployment Benefits?
Receiving Social Security benefits will have no effect on your eligibility for unemployment benefits.

Your unemployment benefits may be affected by any pension benefits you are collecting. You must report to the DUA that you are receiving a pension. You will be asked to provide the amount and source of any type of pension or retirement payments you receive when you file your claim.

Will receiving Federal Pandemic Unemployment Compensation (FPUC) make me ineligible for other programs?
The additional $600 per week benefit will count as income when determining eligibility for means-tested programs, except for Medicaid and the Children’s Health Insurance Program (CHIP).

Contact the Department of Unemployment Assistance
Fill out this Contact Request Form to receive a call-back from the DUA. *Filling out this form is not filing a claim.
You can also contact the DUA Call Center directly, at 877-626-6800.
Call Center Hours:
Monday through Friday: 8:30am – 4:30pm
Saturday: 8:00am – 12:00pm

Questions?
We understand you likely have a number of unanswered questions. The Arts & Business Council will regularly publish updated information regarding unemployment assistance as it is made available, and we invite any questions you may have in the meantime.