

Federal and State Unemployment Insurance for Independent Contractors and Freelancers

Please note that this fact sheet gives general information about COVID-19 resources and emerging laws for independent contractors and is not legal advice. This Fact Sheet is current as of 12:00 P.M. on April 3, 2020. All organizations and individuals are encouraged to review federal resources and contact attorneys for up to date information. The information is not, and should not be interpreted as, legal advice.

Federal Legislation and Unemployment Insurance

In March, the U.S. government enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act. A significant feature of this bill is the extension of unemployment insurance to independent contractors, self-employed individuals, and freelancers through the Pandemic Unemployment Assistance (PUA) program. To qualify for the PUA program, applicants must certify that they do not qualify for regular unemployment under federal or state law, and that they are unable to work because of one of the following:

1. they have been diagnosed with COVID-19;
2. a member of their household has been diagnosed with COVID-19, or they are taking care of someone with COVID-19;
3. they are providing care for a child whose school has closed due to COVID-19;
4. they are unable to reach their place of employment because of quarantine;
5. they have been advised to self-quarantine;
6. their place of employment has closed;
7. they have been unable to start a job because of COVID-19; or
8. any other criteria established by the Secretary of Labor.

Applicants should consider whether they want to participate in this program or receive a Paycheck Protection Program loan. Depending on your circumstance, it may be that you will be unable to both collect unemployment insurance and receive a PPP loan to continue operating your business.

State Laws Expanding Unemployment Insurance for COVID-19

Generally, state unemployment insurance does not cover independent contractors. However, some states are debating expanding unemployment compensation to include independent contractors in light of the COVID-19 crisis, with many waiting to see whether the federal law will fill the gap. Below are links to resources on unemployment insurance available at the state level. At this time, it is unclear how flexible states will be with unemployment insurance to respond to COVID-19, but these sites are the first place to check to see if any expansion of eligibility has occurred:

1. California: <https://www.edd.ca.gov/unemployment/>
 - Filing a Claim: https://www.edd.ca.gov/unemployment/file_an_unemployment_insurance_claim.htm
 - Freelancers and independent contractors may apply if: (1) they chose to cover themselves and paid into an unemployment insurance plan, (2) a previous employer contributed on that worker's behalf over the last 12 to 18 months, or (3) the independent contractor was misclassified as an independent contractor.
2. Georgia: <https://dol.georgia.gov/file-unemployment-insurance-claim>
3. New York:
 - Filing a Claim: <https://www.labor.ny.gov/unemploymentassistance.shtm>
 - Frequently Asked Questions: <https://labor.ny.gov/ui/faq.shtm>
4. Washington D.C.: <https://does.dc.gov/service/start-your-unemployment-compensation-process>
 - Independent contractors and self-employed workers who are not eligible for unemployment insurance may be eligible for small business grants under a D.C. law enacted on March 17. Applications are due by March 31: <https://coronavirus.dc.gov/dc-small-business-recovery-grants>.

Emergency Funding and Resources for Independent Contractors/Freelancers

Emergency Funds for Independent Contractors

The Federal Paycheck Protection Program

The Paycheck Protection Program (PPP) is a loan program available to independent contractors, freelancers, and gig workers to cover payroll costs, business rental costs, and utilities. Lenders will begin accepting applications on April 10, 2020. Although the program is available until June 30, 2020, applicants are encouraged to apply early as there is a funding cap. The federal government will forgive PPP loans when they are used predominately to cover payroll and when the loan is used to keep people on a payroll. Applicants are encouraged to continue reading updates from the Small Business Administration and Department of Labor on the availability and use of PPP loans. Applicants should consider whether they want to participate in this program or receive unemployment insurance. Depending on your circumstance, it may be that you will be unable to both collect unemployment insurance and receive a PPP loan to continue operating your business.

A sample PPP loan form is linked here: <https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Application-3-30-2020-v3.pdf>. Please check with your local lender whether they are issuing PPP loans.

Economic Injury Disaster Loan

The Economic Injury Disaster Loan (EIDL) is a part of the CARES Act and allows for independent contractors and self-employed individuals to receive a \$10,000 grant. Applicants may ask for more than \$10,000, but any additional amount will act as a loan. When applying, applicants should indicate that they are applying for the EIDL advance. Applicants of the EIDL program may also apply for the PPP program, as long as the loans are not used to cover the same expenses.

The application for the EIDL program can be found here: <https://covid19relief.sba.gov/#>.

Freelancers Union Fund

This emergency fund is offering financial assistance of up to \$1,000 per freelance household to cover lost income and essential expenses not covered by government relief programs, including food, utility payments, and cash assistance. Applicants and additional guidelines can be found at <https://www.freelancersunion.org/resources/freelancers-relief-fund/freelancers-relief-fund-eligibility-guidelines/>.

One Fair Wage Emergency Fund

This emergency fund is providing cash assistance to restaurant workers, car service drivers (including Uber and Lyft), delivery workers, and personal service workers. To qualify for assistance, workers will need to already be involved as members of One Fair Wage or sign up with One Fair Wage and participate in a confirmation interview. One can sign up for free by filling out a survey at <https://ofwemergencyfund.org/help> and more information on this fund can be found at <https://ofwemergencyfund.org/>.

Emergency Funding for Freelance Artists

A comprehensive list and more information on various funds and grants for freelance artists can be found at <https://covid19freelanceartistresource.wordpress.com/emergency-funding/>. The list mostly targets funds available to freelance artists of all mediums; however, there are also links for other industries of work.

National Domestic Workers Alliance

The Coronavirus Care Fund (CCF) provides \$400 in emergency assistance for qualifying home care workers, nannies, and house cleaners who are experiencing financial hardship due to the coronavirus pandemic. Assistance from the Fund is to help you stay home and stay safe during the pandemic. More information can be found at <https://domesticworkers.org/coronavirus-care-fund>.

The Betancourt Macias Family Scholarship Foundation

This scholarship is offering financial assistance to undocumented families and individuals that have been affected by COVID-19. More information on applying can be found at https://docs.google.com/forms/d/e/1FAIpQLSfs3vK0E-xPqYUG3P_vRtZbCfzE8-J9GmEfunanb0bX76uSmg/viewform.

General Individual Resources

NYS HRA Grant

New York City residents may apply for a one-time emergency grant, also called a "One Shot," from the Human Resources Administration ("HRA") when an unforeseen circumstance prevents the applicant

from meeting an expense. You must meet eligibility guidelines and applications are subject to investigative review. Emergency grant applicants may obtain rental assistance in cases of impending evictions, assistance with home energy and utility bills, and disaster assistance (including moving expenses and the purchase of personal items for health and safety). The most common One Shots are for rent, utilities, and moving/furniture expenses. You are eligible to receive only ONE emergency grant/One Shot deal per year and in some instances you may be required to pay back your emergency grant within 12 months.

The application can be found at www.nyc.gov/accesshra where the individual will be prompted to create an account in order to apply.



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