

Self-Employed NJ Workers:

FREQUENTLY ASKED QUESTIONS DURING THE CORONAVIRUS EMERGENCY

OVERVIEW: Assistance is available to self-employed workers, independent contractors, gig and platform workers who are impacted by COVID-19.

THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT: UNEMPLOYMENT INSURANCE RELIEF FOR WORKERS IMPACTED BY COVID-19

The federal Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020. It provides assistance to workers who have been negatively impacted by the coronavirus emergency by creating Pandemic Unemployment Assistance (PUA). Please note: This document may be modified as more information becomes available.

1. I'm self-employed, an independent contractor, a gig worker, or a platform worker. What do I get from the CARES Act?

If eligible, you can receive Pandemic Unemployment Assistance (PUA). These benefits can be retroactive for periods of unemployment that began after February 2, 2020.

2. How much is PUA?

PUA potentially provides the same amount as regular unemployment (60% of your average weekly salary, up to a maximum of \$713 per week) for up to a total of 39 weeks. The PUA amount for the self-employed is calculated using prior year(s) tax returns if wages are not reported through wage records. The PUA minimum, for businesses operating at a loss or with insufficient income to qualify for benefits, is \$231 per week. PUA benefits are considered taxable income. PUA recipients are also eligible for an extra \$600 per week, also taxable. The \$600 per week is retroactive to the week ending April 4, 2020, and ends the week of July 25, 2020.

3. How can I get PUA?

You must be negatively impacted by the coronavirus emergency to be eligible. See USDOL's website, "Unemployment Insurance Relief During COVID-19 Outbreak." You will have to certify that you are unemployed, partially unemployed, or unable or unavailable to work for any of a list of coronavirus-related reasons.

- NJDOL is working with the U.S. Department of Labor to develop the process to assess your application for this
 new federal program of Pandemic Unemployment Assistance. In the meantime, applying for unemployment
 insurance is the necessary first step.
- If you choose to file now, refer to our **application guide** for self-employed workers to ensure that you answer application questions correctly.
- · Apply online at myunemployment.nj.gov.
- Begin collecting two years of income-history demonstrating documents, such as tax returns.

4. I went ahead and applied online for unemployment when I heard about the CARES Act and I haven't heard back yet. What do I do?

If you received a confirmation number, you do not have to take any action - your claim will be reviewed by Unemployment Insurance staff. Our system is experiencing record levels of demand and all in-person services statewide are currently closed due to COVID-19. If your application was not successful, please keep trying, and see the application guide in #3 above. You will not lose a day's benefits as all claims will be backdated to your first day of employment loss.

MISCLASSIFICATION

Misclassification is the practice of illegally and improperly classifying workers as independent contractors, rather than employees.

6. I believe I've been misclassified as an independent contractor, and I lost my work due to coronavirus. What should I do?

The New Jersey Department of Labor is currently working with the U.S. Department of Labor to develop the process to assess your application for this new federal program of Pandemic Unemployment Assistance. In the meantime, applying for unemployment insurance is the necessary first step. See #3 for our application guide. If you file now, Unemployment Insurance staff will first assess your application and your relationship to your employer. In addition, you may report your misclassification by emailing: misclass@dol.nj.gov.

THE FAMILIES FIRST CORONAVIRUS RESPONSE ACT: EMERGENCY PAID SICK LEAVE AND EXPANDED FAMILY & MEDICAL LEAVE FOR THE SELF-EMPLOYED

The federal Families First Coronavirus Response Act took effect April 1, 2020 and gives certain workers access to emergency paid leave to care for themselves or a loved one, or to care for their children at home, due to coronavirus. For additional guidance, see **USDOL's FAQs** and NJDOL's publication **What NJ Workers Need to Know About the Families First Coronavirus Response Act.** This is a federal program; NJDOL is providing this information as a resource to our workers. Questions should be directed to the **USDOL** and **IRS**.

7. I'm self-employed, an independent contractor, a gig worker, or a platform worker. What do I get from the Families First Coronavirus Response Act?

Although you will not receive emergency paid sick leave or emergency FMLA childcare leave as direct payments, you can obtain equivalent tax breaks. You can receive a tax credit worth up to 80 hours of emergency paid sick leave to care for yourself or a loved one impacted by coronavirus; and up to 12 weeks (2 weeks unpaid, 10 weeks paid) emergency FMLA childcare leave to care for your child at home because they have no school or childcare due to coronavirus. This credit is applied against your annual income taxes and it is refundable. This means that you will get a rebate if your sick leave/childcare leave expenses were greater than your tax bill. Learn more from the **IRS**. The emergency paid leave must be taken between April 1, 2020 and December 31, 2020.

8. How is a gig worker/self-employed worker defined in the federal FFCRA law?

The law permits a worker who "carries on a trade or business," and who would be entitled to FFCRA paid leave if she or he were an employee of an employer, to receive tax breaks.

9. What kinds of records do I have to keep in order to receive the tax credit?

It is recommended that you keep the following records:

- a. Documentation to show how you determined the amount of sick leave and childcare leave that you used, including records of work and telework;
- b. Documentation to show how you determined these expenses;
- c. Copies of any completed IRS Forms 7200 ("Advance Payment of Employer Credits Due to COVID-19") that you submitted to the IRS;
- d. Copies of the completed IRS Forms 941 ("Employer's Quarterly Federal Tax Return") you submitted to the IRS; and,
- e. Any other relevant documents requested by the IRS. For more information, please consult https://www.irs.gov/coronavirus/new-employer-tax-credits.





Guidance for Self-Employed Individuals FILING A PANDEMIC UNEMPLOYMENT ASSISTANCE CLAIM myunemployment.nj.gov

Please print this guide or keep it viewable on your computer while you complete the application.

To apply online for Pandemic Unemployment Assistance benefits, you should first collect:

- · Social Security Number
- · Alien Registration Number (if you are not a US citizen)
- NJ driver license or state ID number (if available)
- Pension information (if you are receiving any pension or 401k from a recent employer)
- · Amount and duration of any separation pay you may be receiving from any past employer
- Recall date (if you expect to be recalled to your job; may be left blank)
- · Union hiring hall information, including local number and address (if you get work through a union)
- Military Form DD-214 (if you were in the military in the last 18 months)

Next, prepare the following information about your self-employment, platform or "gig" employment and all other employment, if any. For each self-employment or employer that you worked for in the last 18 months, please collect the following:

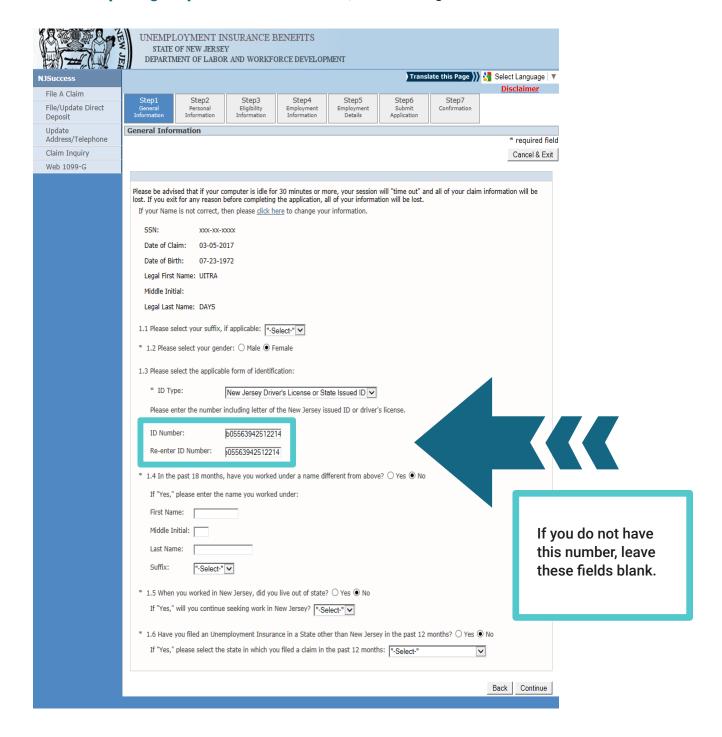
- Name and address of employer (if there were additional employers other than yourself)
- Employer's telephone number (may be left blank if unknown)
- Your occupation with that employer
- Beginning date and last dates you worked for each employer
- Reason for separation

If you have never created an account with myunemployment.nj.gov, follow the instructions here to create an account: https://myunemployment.nj.gov/labor/myunemployment/before/createaccount/index.shtml.

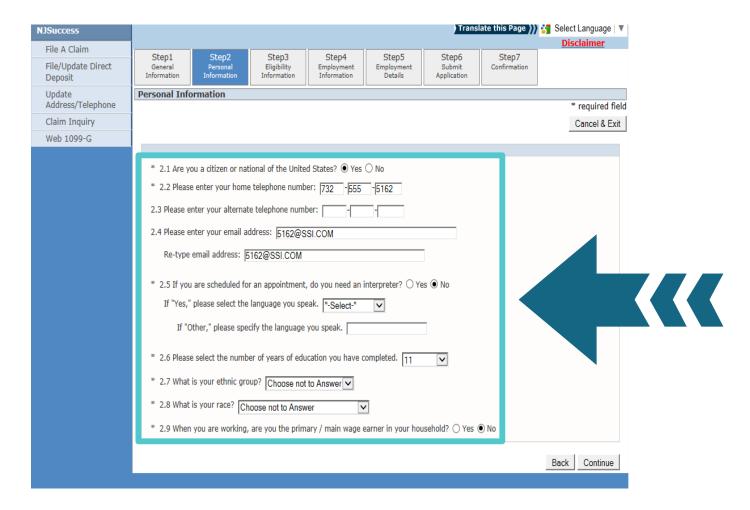
Please note that it is not possible to save your online application and return to it. You must complete it and submit it all at once.

To file an application for benefits, please refer to the following instructions for self-employed, independent contractor, gig, and platform workers. Please print this guide or keep it viewable on your computer while you complete the application.

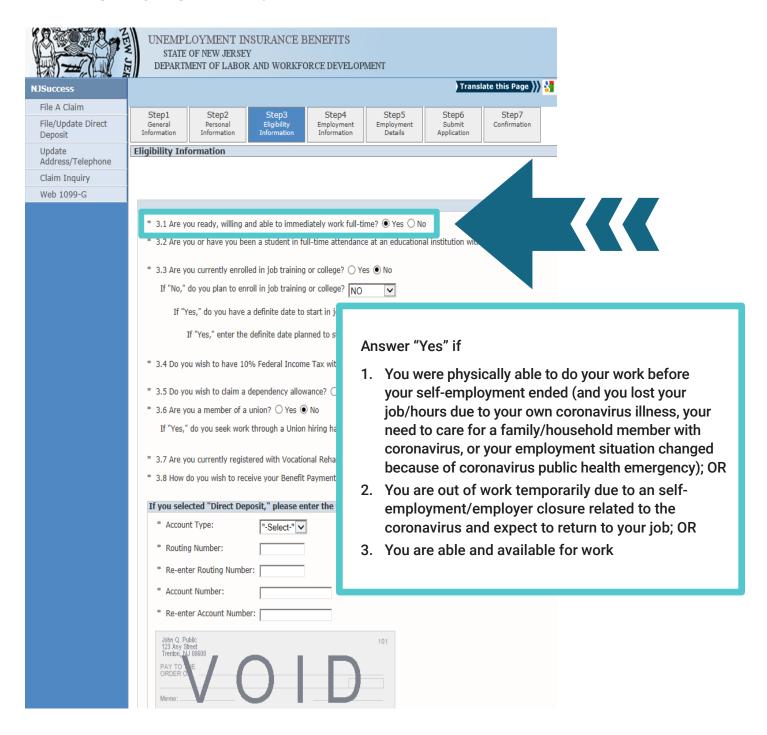
When completing Step 1: General Information, refer to this guide:

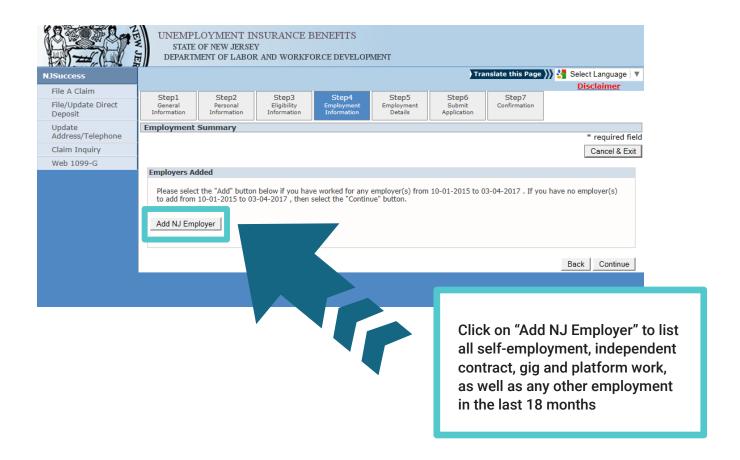


When completing Step 2: Personal Information, refer to this guide, fill in all fields, and review for accuracy:



When completing Step 3: Eligibility Information, refer to this guide:





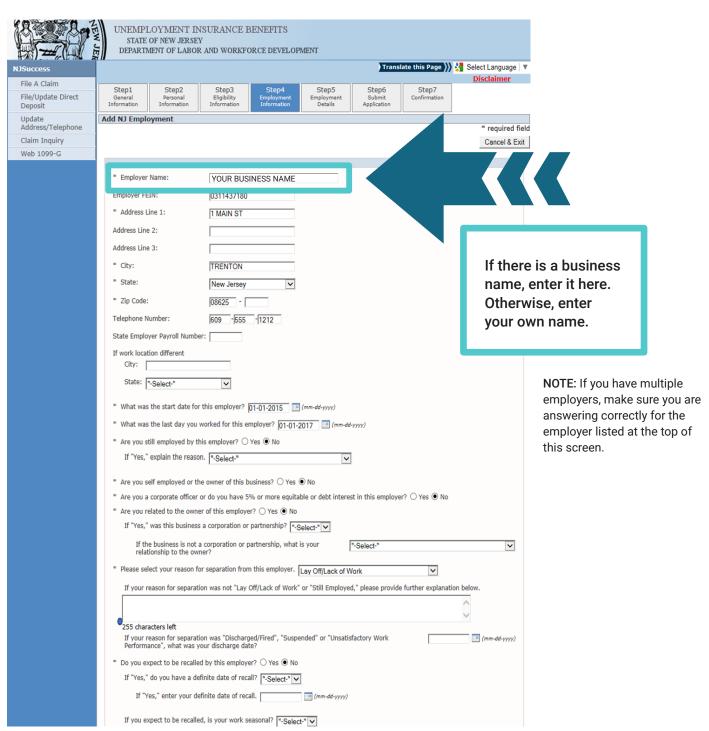
When completing Step 4: Employment Information, refer to this guide:

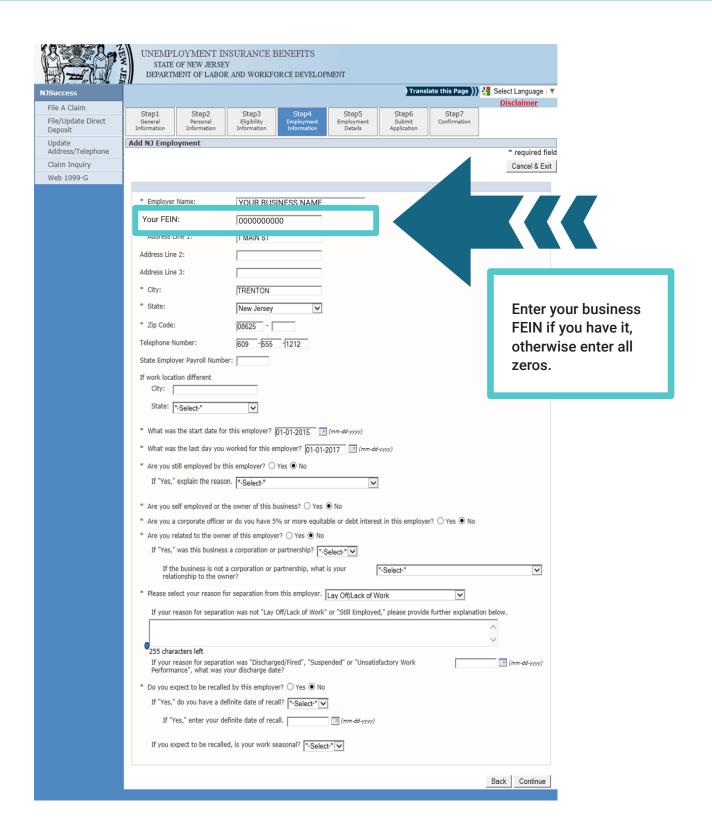
Identifying your Employer Name:

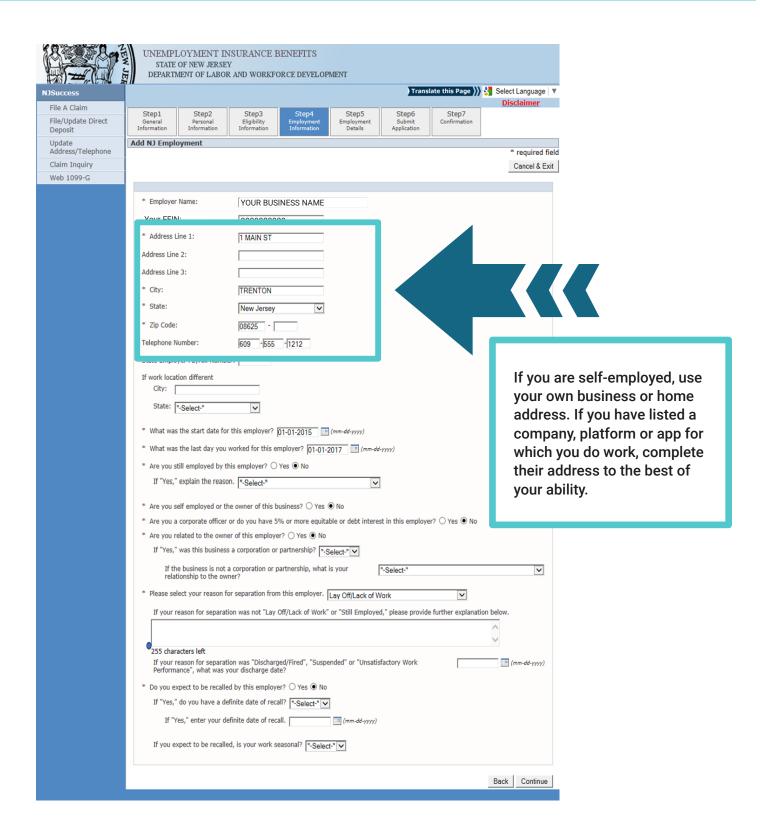
If you are self-employed, enter your business name (if one exists), or your name in the "Employer Name" field.

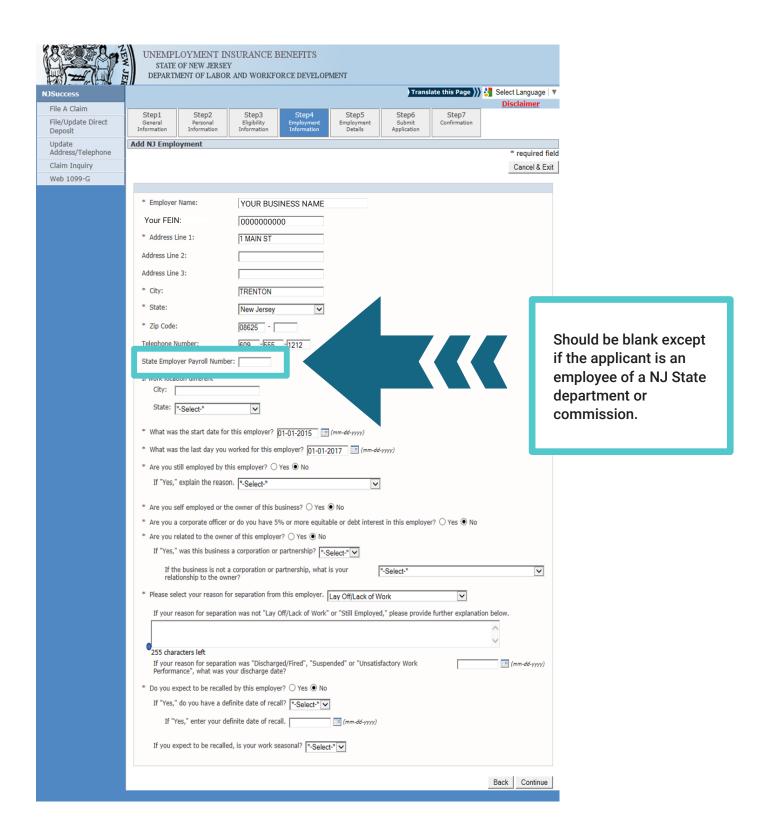
If you are an independent contractor, gig or platform worker, and you work for an entity, app, website, or other online platform, you could be considered an employee of that business and would enter their business/platform/app name in the "Employer Name" field.

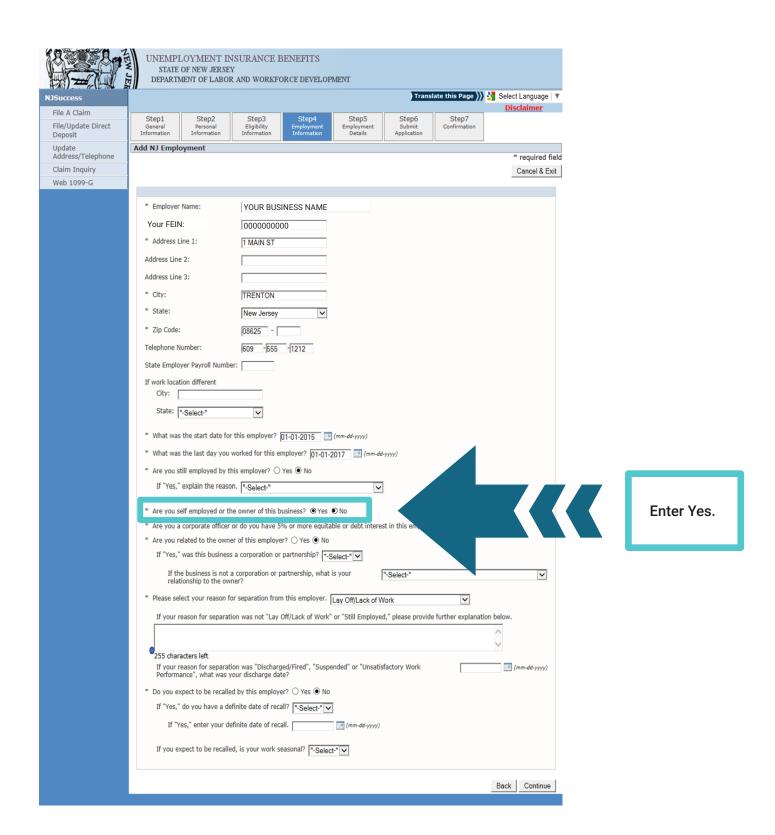
NOTE: You would be considered an employee if that business controls/directs your work; and your work is part of the usual course of business or is within the places of business of that entity for which your service is performed; and if you are not engaged in an independently established trade, occupation, profession or business.

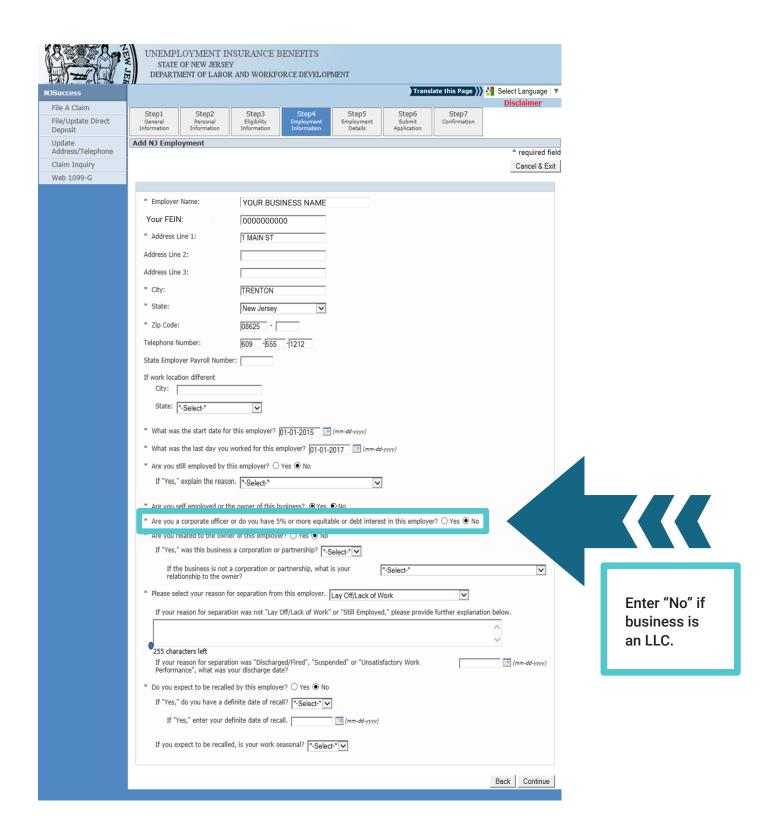


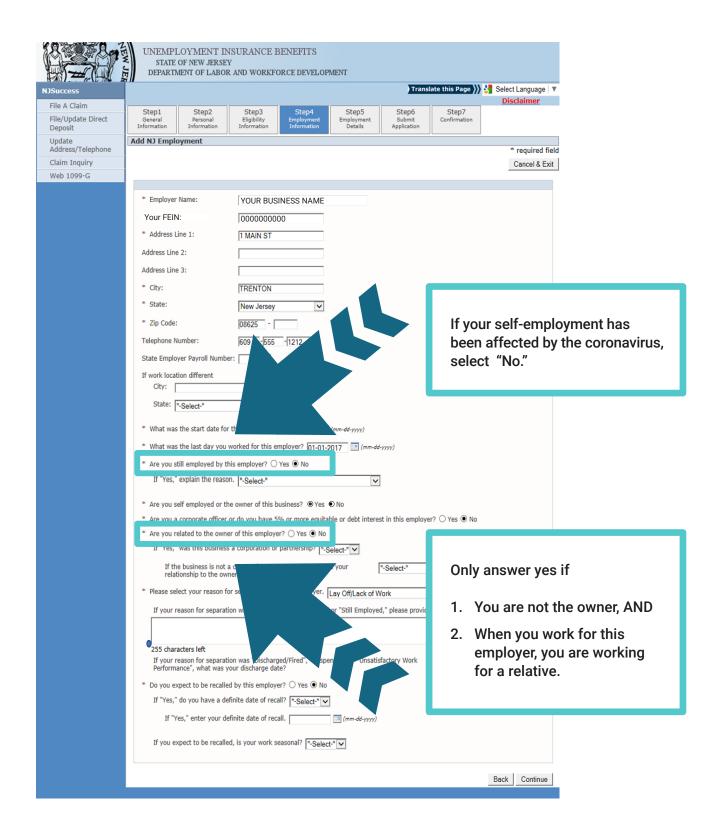




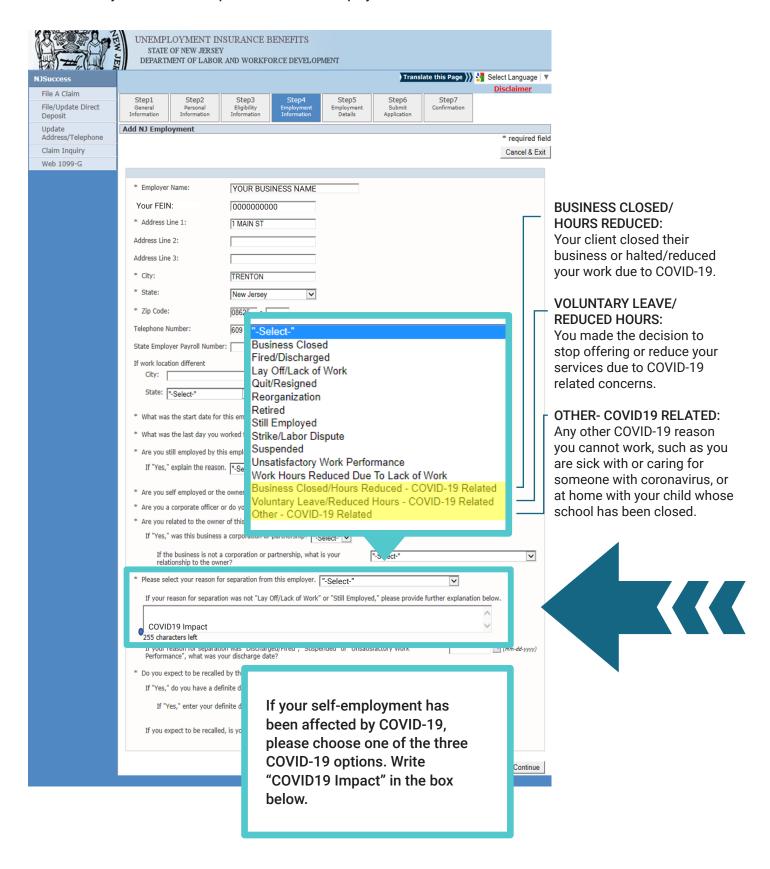








Please select your reason for separation from this employer.



Continue to **Add NJ Employers** until you have included each employer you have had for the past 18 months. Click on the "**Continue**" **Button** when all employers have been added.



Next, finish the application.

Complete Step 5: Employment Details

In this section you will be asked about the presence of a disability, pension or other related pay, as well as how you were paid by your self-employment or other employer.

Complete Step 6: Submit Application

Complete Step 7: Record your confirmation number. Begin collecting all income demonstrating documents, such as W-2s, 1099s, etc. from the past two years.

Add all of the employers not already listed that you worked for in the dates that autopopulate. Include all employment relationships: your own self-employment/business, a business where you were a corporate officer, other employers where you were paid on W2, or an entity, app, website, or other online platform for which you were an independent contractor, gig or platform worker.

What happens next:

Per federal rules, an applicant for Pandemic Unemployment Assistance (PUA) must first be assessed for traditional unemployment insurance benefit eligibility. If you are denied traditional unemployment benefits, you can always file an appeal, which takes time. Once denied, you are most likely eligible for benefits under Pandemic Unemployment Assistance since ineligibility for regular unemployment is a prerequisite for receiving these expanded benefits due to COVID-19.

In this case you will need to gather the last two years of your tax returns or other evidence of income history, which will be necessary for processing your claim. The Pandemic Unemployment Assistance benefits can be paid retroactively for periods of unemployment, beginning on or after February 2, 2020. Additional details will be posted online as they become available.

The New Jersey Department of Labor is currently working with the United States Department of Labor to develop the process to assess your application for this new federal program. We ask for your patience at this time; once the process is determined, you will be contacted and the Department of Labor's website will be updated with details and expected timelines.



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