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.