

# CARES Act (Coronavirus) Unemployment Assistance FAQs

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) signed into law on March 27, 2020, provides relief to families, small businesses, and individuals who are self-employed and independent contractors. A key provision in the law creates a temporary “Pandemic Unemployment Assistance” program that extends unemployment benefits to those not traditionally eligible, including self-employed individuals. Below is a summary of the program that will be updated with guidance anticipated from the U.S. Department of Labor (DOL).

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## Unemployment Compensation Eligibility

### 1. I’m an independent contractor, am I eligible for unemployment benefits?

The PUA program is a temporary program that provides assistance to individuals, including self-employed and independent contractors, who are fully or partially unemployed as a direct result of the COVID-19 public health emergency, beginning **January 27, 2020 through December 31, 2020**.

Individuals who are eligible for PUA compensation are:

- NOT eligible for regular compensation benefits or extended benefits under state or federal law; AND
- Can self-certify that he or she is able to work, but who is unable to work due to COVID-19 such as: movement restrictions, employment closures, medical diagnoses, and quarantines. (See Question 8 below for details.)

If an individual is eligible to telework with pay, or has paid sick leave or expanded family and medical leave, they will not be eligible for unemployment assistance. Further, under the law, the U.S. Secretary of Labor is authorized to establish additional eligibility criteria.

These new benefits will be carried out through agreements between each state and the Department of Labor, where more details on eligibility are expected as these programs are implemented.

#### Additional Resources:

- [Filing for Unemployment Insurance](#)
- [State Unemployment Office Information](#)
- [DOL Coronavirus Resources](#)

**2. Real estate services has been deemed “essential” in my state, does this mean I’m ineligible for the new unemployment benefits for self-employed?**

Even if real estate related activities are deemed essential, whether an individual will be eligible for PUA depends upon whether or not that individual is able to work. For this purpose, whether an industry is “essential” is not relevant to the test.

**3. If I am an independent contractor, can I now immediately apply for unemployment compensation benefits in my state under the new CARES Act?**

It depends! Each state labor or employment agency participating in the pandemic unemployment compensation program will have its own process for accepting unemployment compensation applications and processing those requests. Many states are working to implement the CARES Act and are creating the proper systems to be able to accommodate all requests for unemployment compensation. It is best to continue to check with your state labor agency or commission to find out how to apply.

**4. As an independent contractor, can I apply for unemployment compensation benefits and still accept work?**

Independent contractors and self-employed individuals can apply for full or partial unemployment compensation benefits for weeks that their work has been impacted due COVID-19 if they live in a state that is participating in the PUA program with the U.S. Department of Labor. State laws and regulations will govern the conditions related to work availability and what constitutes “active work,” while receiving unemployment benefits.

**5. If I am able to telework, but unable to fully close transactions or complete work to receive compensation, am I ineligible for benefits?**

The law states that if an individual is eligible to telework *with pay*, they will *not* be eligible for unemployment assistance. We have requested more guidance from DOL on what “telework with pay” entails, as the Secretary of Labor is authorized to establish additional eligibility criteria. There may be an option for “partial unemployment” benefits also depending on eligibility circumstances. It may be useful to keep track of total hours worked to help estimate the percentage of time worked, as states’ requirements for reporting unemployment eligibility vary.

**6. A closing occurred prior to the effective date of the PUA program, but I have not been paid my commission. How does this impact my unemployment eligibility?**

Without guidance from the U.S. Department of Labor or partnering states, it is unclear how earned income prior to being “out of work” may impact unemployment benefit eligibility. It is recommended to apply for the benefits, including detailed financial information for benefits calculations, which may reduce the total benefits or not pay for that particular week during which the compensation is received.

**7. How much in unemployment benefits can I receive and for how long? It depends! The CARES Act provides benefits of \$600 per week (only through July 31, 2020) in addition to the amount provided under a state's compensation law through December 31, 2020.**

Typically, states base compensation amounts on an individual's wages from their most recent tax year, and net income from all self-employment that was reported on an individual's tax return. Individuals can receive up to 39 weeks of PUA benefits through December 31, 2020. See more on state specific benefits here. The CARES Act also included a provision encouraging states to waive a customary 7-day waiting period to receive benefits.

**8. What factors are considered when determining unemployment benefit eligibility as a result of COVID-19?**

Individual factors that are needed to show unemployment status as a result of COVID-19 include:

- Individuals diagnosed with COVID-19 or experiencing symptoms of COVID-19 and seeking a medical diagnosis;
- A member of an individual's household who has been diagnosed with COVID-19;
- Individuals providing care for a family member, child, or other person within one's household diagnosed with COVID-19;
- Individuals who are unable to reach his or her place of employment because of self-quarantine, due to COVID-19;
- Individuals who were scheduled to begin a work or unable to reach work due to COVID-19;
- Individuals who provide major household support, because the head of the household has died as a result of COVID-19;
- Individuals who have had to quit his or her job as a direct result of COVID-19;
- Individuals whose place of employment is closed as a direct result of COVID-19; or
- Individuals who are self-employed, or who would not otherwise qualify for regular unemployment.

The U.S. Secretary of Labor is authorized to establish additional eligibility criteria that could potentially include other factors to prove eligibility, which is also possible by individual state programs. As more details are provided, NAR will provide updates.

**9. Where do I apply for unemployment compensation benefits?**

**To apply for unemployment compensation benefits, you must apply through your state labor or employment department. To find out more information about your state unemployment office, see [here](#).**

Because the application process is now being extended to independent contractors, there may be questions asked that do not apply (i.e. who is your employer). As states update their processes to conform to the federal guidelines, the process may change. It is recommended that all questions be answered thoroughly and honestly for accuracy in PUA benefit determinations.

**10. If I am deemed eligible by the state to receive unemployment compensation, how long will it take for me to receive those benefits?**

It depends! The time it takes for your state labor agency to determine your eligibility to receive unemployment compensation benefits, and the time it takes for you to receive those benefits will vary. It is important to check with your state labor or employment agency to better understand the processing timeline.

**11. May I collect unemployment insurance benefits for time in which I receive pay for paid sick leave and/or expanded FMLA leave?**

No. If you are eligible for paid sick leave or expanded family and medical leave (FMLA), you are not eligible for unemployment assistance. However, each State has its own unique set of rules; and [DOL recently clarified additional flexibility to the States](#) (UIPL 20-10) to extend partial unemployment benefits to workers whose hours or pay have been reduced. Therefore, individuals should contact their state unemployment office for specific questions about eligibility.

## State Participation in the Pandemic Unemployment Compensation Program & Other Related Questions

**1. Is my state required to participate in the Pandemic Unemployment Assistance (PUA) Program?**

No. Under the CARES Act, states may participate in the PUA program, and will be fully reimbursed for the compensation paid out, plus administrative costs, if they do so (subject to DOL authority).

Individual states will need to sign an agreement with the U.S. Department of Labor for the full reimbursement costs to implement the program. Check with your state labor department or unemployment commission to determine PUA participation. To find information on your state labor agency, see [here](#).

**2. Is there a list of states that are currently participating in the Pandemic Unemployment Assistance program?**

At this time, there is no comprehensive list of states participating in the PUA. States are taking different approaches to the new program, where some have already started to allow workers to apply while others are waiting for guidance from DOL. Check with your state labor department or unemployment commission to find out whether a state is planning to participate and the potential eligibility criteria. For more information on state labor agencies, see [here](#).

### **3. How much money will my state receive in pandemic unemployment assistance?**

The amount that each state will receive in funds for pandemic unemployment assistance will vary by state. The amount is determined by the U.S. Secretary of Labor based on statistical data and information agreed upon with the state labor agencies.

### **4. I'm a broker, with independent contractor agents. Will I have to pay anything for my agents to receive unemployment benefits?**

Traditionally, state unemployment programs are funded by an employer assessed unemployment tax. The CARES Act extended unemployment benefits to independent contractors for states that sign an agreement with the U.S. Department of Labor for 100 percent reimbursement of compensations paid. At this time, there are no specific details regarding additional fees or taxes imposed on businesses with independent contractors receiving unemployment benefits under the PUA.

### **5. How can I receive "Pandemic Emergency Unemployment Compensation"? What if my state does not participate in PUA?**

Under the CARES Act, individuals must first seek regular unemployment compensation benefits under state and federal law prior to being eligible to receive "Pandemic Emergency Unemployment Compensation" benefits. Only after an individual has been eligible for and exhausted their state unemployment benefits may they be eligible for an additional 13 weeks of the "Pandemic Emergency Unemployment Compensation," available through the end of the year.

### **6. Will there be additional guidance or assistance specifically for self-employed individuals and independent contractors on the PUA program?**

Under the CARES Act, the U.S. Labor Secretary is authorized to issue operating instructions or other guidance necessary to implement the law. DOL and State Labor Agencies will likely provide additional guidance as soon as reasonably possible. NAR will provide updates and any additional resources as this guidance is released.

## **Additional Resources:**

[50 State Guide to Workforce Agencies' COVID-19 Response](#)

[U.S. Department of Labor State-by-State Guide to Unemployment Benefit Amounts](#)

**Stay tuned to [NAR.REALTOR](#) for the latest updates and NAR Federal Advocacy efforts.**