

Congress of the United States
Washington, DC 20515

May 8, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Speaker Pelosi and Leader McCarthy:

Thank you for your efforts to pass the CARES Act in March, legislation that provides a crucial foundation for our response to the coronavirus crisis and that is providing desperately needed relief to millions of Americans and small businesses.

During consideration of the CARES Act, we wrote to you to request that emergency unemployment benefits be made available to freelancers, contractors, and other independent workers who have lost income as a result of the pandemic. We are very appreciative that the CARES Act included the new Pandemic Unemployment Assistance (PUA) program, extending benefits to independent workers who lack the resources of a large employer but do not fully qualify for regular unemployment.

However, while PUA has begun providing support to many previously ineligible workers, as currently constructed many independent workers with multiple sources of income are excluded from fully qualifying for its expanded benefits. This includes workers with mixed employment types and multiple sources of income who have lost income but are not fully covered by either regular unemployment or PUA.

In particular, due to the sporadic and unpredictable nature of work in film, television, theater, and music, many professionals in the entertainment industries earn a living through a combination of traditional (W-2) and independent (e.g. 1099) employment. As a result, even if they have lost a substantial source of income due to coronavirus-related disruption of their independent work, these workers are ineligible for PUA. Some of these workers may qualify for regular unemployment compensation if they have also lost their W-2 work, but this can significantly under-measure their true earnings. And those whose W-2 income has continued but only represents a small portion of their earnings—for example, a worker who receives residual income from a previous project—are left with greatly reduced income yet are ineligible for any unemployment assistance.

As you consider additional legislation to respond to COVID-19, we urge you to consider language to ensure that independent workers with mixed sources of income are able to access the same relief to make up for lost work that the CARES Act provides to those with more traditional employment arrangements.

Thank you for your consideration and your leadership through these difficult times.

Sincerely,



Adam B. Schiff
MEMBER OF CONGRESS



Judy Chu
MEMBER OF CONGRESS

Earl Blumenauer
MEMBER OF CONGRESS

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Brad Sherman
MEMBER OF CONGRESS

Debbie Wasserman Schultz
MEMBER OF CONGRESS

CC: The Honorable Richard Neal
Chairman, Committee on Ways and Means

The Honorable Kevin Brady
Ranking Member, Committee on Ways and Means