

Mixed Earner Pandemic Unemployment Assistance Act

PROBLEM

The CARES Act created a new, federally funded **Pandemic Unemployment Insurance (PUA)** program to provide unemployment benefits to workers who lost work as a result of the coronavirus pandemic but would not normally qualify for regular state unemployment insurance benefits, including independent, freelance, contract, and gig workers.

Under existing rules, however, **mixed earners** who earn a combination of traditional (W-2) and self-employment (e.g. 1099) income are automatically excluded from the PUA program. This means that workers who earn exclusively W-2 or exclusively 1099 income receive benefits based on their total earnings, but mixed earners only receive benefits based on their W-2 employment. This can significantly under-measure mixed earners' true earnings history and leave them with disproportionately low benefits solely because of the structure of their employment and income.

PROPOSED MECHANISM

The **Mixed Earner Pandemic Unemployment Assistance Act** will allow workers who earn a combination of traditional (W-2) and independent (e.g. 1099) income to opt into receiving PUA benefits in lieu of regular state unemployment compensation. Because PUA benefits are calculated using states' existing formulas but use a worker's full earnings record, they are guaranteed to be at least as much as regular state benefits and will take into account mixed earner's true earnings history from both traditional and self-employment.

QUALIFICATION CRITERIA

To opt into PUA, workers must:

- (1) have earned at least \$7,250 self-employment in 2019,
- (2) have a qualifying unemployment reason for PUA, and
- (3) be otherwise eligible for state unemployment benefits.

IMPLEMENTATION DETAILS

To ensure that all workers receive the \$600 per week in Federal Pandemic Unemployment Compensation (FPUC) for every week they lost work due to the coronavirus pandemic while streamlining the administrative burden on states, this bill provides full **retroactive payments** for all weeks that workers did not already receive state or federal unemployment benefits.

PUA was a dramatic expansion of the unemployment insurance system, and some states are still dealing with backlogs and other implementation difficulties. Accordingly, this bill allows states to elect when to implement this further expansion in agreement with the Department of Labor.

Burbank
245 E. Olive Avenue, #200
Burbank, California 91502
P: (818) 450-2900

Washington, DC
2269 Rayburn House Office Building
Washington, DC 20515
P: (202) 225-4176



@RepAdamSchiff