



## Texas issues unemployment benefit guidance to contractors, gig, self-employed workers

By Erin Douglas, Staff writer 2 hrs ago



Self-employed, contract and gig workers who have lost work due to the COVID-19 pandemic should apply for Pandemic Unemployment Assistance, the federal program authorized under the \$2 trillion stimulus law to expand unemployment benefits to those who do not traditionally qualify.



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The Texas Workforce Commission said Wednesday that non-traditional applications should apply for Pandemic Unemployment Assistance, which will pay non-traditional applicants a weekly base benefit amount of \$207. Workers will also be eligible for an additional \$600 per week under the stimulus package.

The Texas Workforce Commission, the state agency that administers unemployment benefits, said in a release Wednesday that non-traditional applicants should use the Unemployment Benefits Services system to apply for the federal benefits, which will pay a base benefit amount of \$207.

Additionally, self-employed, contract and gig workers who lose jobs would qualify for an additional \$600 per week under the Federal Pandemic Unemployment Compensation

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program, also created by the CARES Act.

## How to submit the application as a non-traditional worker

During the application process, these workers should select “reduced hours” as the reason for their job separation. If the reduced hours are related to the pandemic, they should also select

“COVID-19” under the disaster impact section. Workers should complete the questions that show as a result of those selections, and then submit the application.

These workers should also send their 2019 IRS 1040 Schedule C, F or SE prior to December 26, 2020 by fax, email or mail to:

Fax: (512) 936-3250

Mail: Texas Workforce Commission, P.O. Box 149137, Austin, TX 78714-9137

Email: San Antonio UI Mail: [sanantonio.uimail@twc.state.tx.us](mailto:sanantonio.uimail@twc.state.tx.us).

## What happens next?

The TWC will first review the claim for regular unemployment eligibility, which, for many of these workers, will result in a denial for regular unemployment benefits. But don't worry — the state will then check for Pandemic Unemployment Assistance eligibility.

Some independent contractors and self-employed people may get approved during the first step if they worked for an employer during at least two quarters of their “base period,” even if the wages reported aren't very high. They'll get approved for a very small amount of weekly benefits.

To calculate unemployment benefits, Texas uses past wages from a “base period,” which is the last four quarters of wages earned starting from the quarter before you were unemployed or underemployed.

For example, if you were laid off in March 2020 due to the coronavirus, you must have earned wages during at least the last two quarters between the fourth quarter of 2018 (Oct. 1, 2019) and the third quarter of 2019 (Sept. 30, 2019). To calculate the weekly amount of benefits, the state takes the quarter in which you earned the most wages, divides the total by 25, and rounds to the nearest dollar.

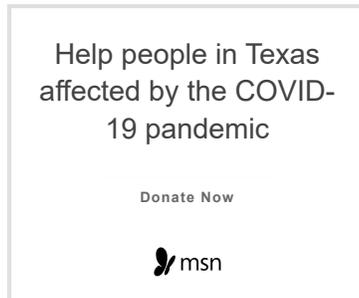
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That formula gets tricky for those non-traditional workers who don't report wages to the state. These workers may receive notification that their weekly benefit amount is \$0.00, and will need to wait for the state to approve them for PUA benefits.

"The initial denial for unemployment insurance may cause confusion but does not affect the PUA eligibility," the TWC statement said.

TWC will automatically enroll the applicants in PUA, if employment was affected by the pandemic.

Those workers who have already submitted claims before the PUA program was implemented in Texas should not re-apply. In the meantime, all workers should continue requesting benefit payments every two weeks, even if they received notice that their claim was denied. The TWC will enroll them in PUA.



## How to request payment

Request payment on the day you file your application and then the date provided by communication from the Texas Workforce Commission. You will need to request payment every two weeks after that by logging on to Unemployment Benefits Services and select "Request a Payment," or by calling 800-558-8321 from 7 a.m. to 6 p.m. daily. Select Option 1.

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