



Updated 4/28/2020

**Text that is stricken is no longer applicable. Text that is underlined is new.**

While definitive information which applies to everyone has not yet been received from either a state or federal agency, we have received mixed results from some MHSAA officials applying for the expanded benefits for independent contractors. In general, we have found that individuals are:

- (1) **being granted** unemployment benefits if officiating is their sole source of income;
- (2) **being granted** unemployment benefit if they receive social security retirement income in combination with their officiating income.
- (3) **being granted** unemployment benefits based on W-2 income if they also lost a “regular” job as an W-2 employee; or
- (4) **being denied** unemployment benefits if they have lost their officiating income but maintained their “regular” W-2 income, regardless of the amount or percentage of income for which officiating accounts.

MHSAA Officials:

We hope all of you are well during these confusing and difficult times. First and foremost, the concern of the MHSAA is the health and well-being of the players, coaches and officials. Please keep all of those individuals and families affected by this pandemic in your thoughts and prayers.

As many of you have heard, the MHSAA made the difficult decision on April 3 to terminate the remainder of winter tournaments and cancel all spring seasons. This has left many questions for officials across the state in regards to the loss of income caused by the cancellation of these contests. Many of these questions surround the federal government’s recent decision to allow some independent contractors to qualify for unemployment benefits.

We have been in communication with both state and federal government officials to discuss the extent to which these benefits cover and who is eligible to apply. As may be expected, the quick construction of the bill that provided for this expansion of benefits has left some of these questions unanswered. ~~The Michigan Department of Labor and Economic Development has requested that independent contractors delay in applying for unemployment benefits until the details are fully worked out.~~ The Michigan Unemployment Insurance Agency (UIA) has indicated that they are still awaiting further guidance from the federal government as to who qualifies for unemployment benefits. Claimants that apply and do not qualify will receive an email letting them know that although they were denied, they may be eligible for additional programs. The claim

denial will be used to as evidence for qualification for Pandemic Unemployment Compensation (PUC).

#### **Here's what is known:**

- The CARES Act that was passed includes provisions for independent contractors that traditionally did not qualify for unemployment benefits.
- The amount is determined by your previous income. This will require you to provide 1099's, Schedule C's and other tax filings. The minimum benefit provided by the Pandemic Unemployment Compensation program is 50% of the average weekly benefit amount in Michigan. Additionally, eligible workers will receive another \$600 a week through July 31, 2020.
- Independent contractors affected by COVID-19 may be applying for unemployment benefits at 8 a.m. on Monday, April, 13 by going to [www.Michigan.gov/UIA](http://www.Michigan.gov/UIA).
- It is requested that filers for unemployment follow the filing schedule when submitting information for benefits:
  - Online Filing – [www.Michigan.gov/UIA](http://www.Michigan.gov/UIA)
    - Last names A-L on Saturdays, Mondays, Wednesday or Fridays
    - Last names M-Z on Saturdays, Sundays, Tuesdays or Thursdays
  - Call Center Filing – 866-500-0017
    - Last names A-L on Mondays, Wednesdays and Fridays (8am-5pm)
    - Last names M-Z on Tuesdays, Thursdays and Fridays (8am-5pm)
- Individuals that are on any paid leave, or those that have the ability to continue working remotely, through telework or are continuing to be paid through their employer **are not eligible for federal unemployment benefits.**

#### **Here's what is not known yet:**

- ~~Does the expansion of benefits only cover individuals that officiate as their SOLE source of income?~~
- ~~What does "out of work" mean in the bill? Does it refer to individuals that have a reduction in income, or does it refer to an elimination of income? How does this apply to officials that are still earning W-2 income? 1099 income?~~
- If unemployment benefits are provided for individuals whose independent contractor income is supplementary (part-time), what is the provided benefit amount?

#### **Suggestions:**

- ~~Wait before applying for unemployment benefits until further details are released relating to your eligibility. This could take several weeks. Benefits are retroactive, so don't risk the opportunity for unemployment benefits or possibly filing a fraudulent claim because you rushed to file before you knew your eligibility.~~
- The purpose of expanded unemployment benefits is to supplement those that have lost income due to the COVID-19 pandemic, and you should only request benefits under those circumstances.
- Take this time to gather tax records from previous years. While it may not affect the amount of unemployment benefit received, compile the amount of expected lost income from this year.

- If you do ultimately file for unemployment benefits, make sure to list yourself as an independent contractor or sole proprietor. If you list that you're employed by the MHSAA, school or league/conference may delay or forfeit benefit opportunities.

**Other possible opportunities for financial assistance:**

- The Paycheck Protection Program Loan is an opportunity through the Small Business Administration (SBA) for independent contractors to receive a loan covering the expected cost of salaries (1099 income in the case of independent contractor officials). You will need to complete SBA Form 2483 and submit to an eligible lender. Details can be found by [CLICKING HERE](#).
- Grants through the SBA for independent contractors up to \$10,000. To review and apply, go to [www.covid19relief.sba.gov/#/](http://www.covid19relief.sba.gov/#/). Make sure to check the box as an independent contractor or sole proprietor and use your SS# when it requests a SS# or EIN.
- The Freelancers Union has created a fund offering financial assistance up to \$1000. Review and apply by visiting <https://www.freelancersunion.org/resources/freelancers-relief-fund/>.

NOTE: In some instances, individuals may be restricted from applying for multiple SBA opportunities. Confirm with an accountant, tax preparer or financial advisor for specifics.

**Additional Resources:**

- Our good friends at NASO have created an encouraging video entitled "These Difficult Times". [CLICK HERE](#) to view.
- The NFHS is offering access to officiating videos through the NFHS Learn platform FREE of charge until at least July. This offer provides veteran officials, newbies or even prospective officials the ability to take in some "officiating" during the extra downtime you may have. Check out what these videos have to offer you by visiting <https://nfhslearn.com/home/officials>.

While we know that many are struggling, please take time to strengthen relationships with your immediate family, reconnect with others using recommended social distancing guidelines, pray for individuals who are fighting this disease and reflect on the blessings in your lives. Be safe and healthy until we can all get back together once again.

This document will be updated as we receive more information.



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