



Unemployment Insurance and Licensed Professionals in the Salon Industry

Licensed professionals in the salon industry have been particularly impacted by the COVID-19 pandemic. Many of these professionals are independent contractors, sole proprietors and small business owners, and there has been confusion about their eligibility for unemployment benefits.

This document will explain the provisions of:

- Unemployment Insurance (UI), Pandemic Unemployment Assistance (PUA) and Pandemic Unemployment Compensation (PUC)

If you are unable to work or have reduced hours or income as a result of COVID-19, regardless of your employment classification (owner, independent contractor, direct employee, etc.), you should apply for unemployment insurance benefits at <https://neworks.nebraska.gov/>.

If you are denied unemployment insurance benefits, you can apply for legal help by contacting Legal Aid of Nebraska's COVID-19 Legal Assistance Hotline at 1-844-268-5627.

Exceptions to eligibility for unemployment benefits:

- If your workplace is teleworking or working remotely with pay, or if you are receiving paid leave, you are not eligible for unemployment insurance. However, there are some exceptions if you are receiving paid leave or paid telework for less time than your normal work week prior to COVID-19.ⁱ
- In Nebraska, a worker must be a U.S. citizen, lawful permanent resident, refugee, asylum grantee or another class of "qualified alien." Many categories of work-authorized immigrants, including recipients of Temporary Protected Status (TPS) and Deferred Action for Childhood Arrivals (DACA), are ineligible.ⁱⁱ For more information and free, confidential screening and referral for immigration legal services, contact the Nebraska Immigration Legal Assistance Hotline (NILAH) at 1-855-307-6730.

PANDEMIC UNEMPLOYMENT ASSISTANCE (PUA)

The Pandemic Unemployment Assistance program extends eligibility for unemployment benefits to individuals who do not qualify for regular unemployment insurance—including independent contractors, sole proprietors, those that are self-employed, freelance workers, workers seeking part-time work and workers without adequate work history to qualify for unemployment. Under PUA, such individuals are eligible for benefits if they are partially or fully unemployed for one of the following COVID-19 related reasons:ⁱⁱⁱ

- The individual has been diagnosed with COVID-19 or is experiencing symptoms and is seeking a medical diagnosis;
- A member of the individual's household has been diagnosed with COVID-19;
- The individual is providing care for a family or household member who has been diagnosed with COVID-19;
- The individual has primary caretaking responsibility for a child or other household member whose school or other facility is closed as a direct result of COVID-19 and the individual is therefore unable to work;
- The individual is unable to reach the place of employment because of an imposed quarantine;
- The individual is unable to reach the place of employment because they have been advised by a health care provider to self-quarantine;
- The individual was scheduled to begin work and now does not have a job or cannot reach the job as a direct result of COVID-19;
- The individual has become a primary source of income for the household because a household member has died from COVID-19;
- The individual has to quit their job as a direct result of COVID-19; or
- The individual's place of employment is closed as a direct result of COVID-19.

PUA benefits provide a minimum of 50% of the state's average weekly unemployment insurance benefit. The average weekly UI benefit in Nebraska as of January 2020 was \$385, so minimum PUA benefits would average around \$190 each week.^{iv} Benefits are available to eligible individuals for up to 39 weeks at any time between March 15 and December 31, 2020.^v

PANDEMIC UNEMPLOYMENT COMPENSATION (PUC)

Between March 27 through July 31, 2020, all eligible recipients of PUA or regular unemployment insurance are also automatically eligible for Pandemic Unemployment Compensation (PUC), which provides **\$600 per week** in addition to benefits provided through PUA or unemployment insurance calculations.^{vi}



Pandemic Unemployment Compensation provides an additional **\$600 per week**.

FREQUENTLY ASKED QUESTIONS ABOUT UNEMPLOYMENT BENEFITS & LIFTING SALON INDUSTRY RESTRICTIONS

As social distancing restrictions are lifted, many businesses, employees and/or independent contractors may decide it is not yet safe to reopen for in-person services. How will this impact unemployment benefits?

- A business may choose to remain closed. If the business is closed as a result of COVID-19 and continues to remain closed due to persistent public health concerns, access to unemployment benefits for employees under PUA and PUC will continue uninterrupted.^{vii}
- Independent contractors may choose not to conduct business due to COVID-19, and access to unemployment benefits under PUA and PUC will continue uninterrupted.

Businesses that choose to reopen may need to alter normal functions, including reducing staff. What happens to unemployment eligibility if only some employees are called back to work or hours are reduced for all?

- If a workplace calls back only some workers but has limited staff due to COVID-19, those workers that remain out of work and unpaid will continue to qualify for unemployment benefits.
- A worker may be eligible for unemployment benefits if they are partially unemployed or their hours have been significantly reduced as a result of COVID-19. This could include workers who are called back to work with reduced hours as the workplace cannot accommodate, or the employer does not feel comfortable accommodating all workers under safe distancing practices.

If a business chooses to reopen and calls back their workers, what happens if an employee does not feel safe returning or has an underlying health condition that puts them at greater risk of COVID-19?

- If a worker is an independent contractor, they are not directly employed and therefore, cannot be called back to work, so a place of business reopening would not impact their unemployment insurance. They will continue to be eligible for benefits.
- If a worker who is a direct employee is called back to work and chooses not to return, the Nebraska Department of Labor has indicated that they will no longer be eligible for unemployment benefits.^{viii} If such employee can obtain a doctor's note advising them not to return to work due to an underlying health condition or that of a household member, the Nebraska Department of Labor has indicated that these individuals will be eligible for benefits.^{ix}

ⁱ "Unemployment Insurance Program Letter No. 16-20," Employment and Training Administration, U.S. Department of Labor, (April 5, 2020). https://wdr.doleta.gov/directives/attach/UIPL/UIPL_16-20_acc.pdf

ⁱⁱ Neb. Rev. Stat. § 4-111 <https://nebraskalegislature.gov/laws/statutes.php?statute=4-111>

ⁱⁱⁱ "Unemployment Insurance Program Letter No. 16-20," Employment and Training Administration, U.S. Department of Labor, (April 5, 2020). https://wdr.doleta.gov/directives/attach/UIPL/UIPL_16-20_acc.pdf

^{iv} "Pandemic Unemployment Assistance (PUA) Program," News Channel Nebraska, (April 11, 2020). <https://www.newschannelnebraska.com/story/41997545/pandemic-unemployment-assistance-pua-program>

^v "Unemployment Insurance Provisions in the Coronavirus Aid, Relief, and Economic Security (CARES) Act," National Employment Law Project, (March 27, 2020). <https://www.nelp.org/publication/unemployment-insurance-provisions-coronavirus-aid-relief-economic-security-cares-act/>

^{vi} Ibid.

^{vii} "Unemployment Insurance Program Letter No. 16-20," Employment and Training Administration, U.S. Department of Labor, (April 5, 2020). https://wdr.doleta.gov/directives/attach/UIPL/UIPL_16-20_acc.pdf

^{viii} Governor Pete Ricketts, "Executive: Governor's News Conference," Nebraska's PBS & NPR Stations, (April 30, 2020). <https://www.dropbox.com/s/9wb-nohqy38zp1/Press%20Conf%204.30.2020.mp4?dl=0>

^{ix} Commissioner John Albin, "Executive: Governor's News Conference," Nebraska's PBS & NPR Stations, (April 30, 2020). <https://www.dropbox.com/s/9wb-nohqy38zp1/Press%20Conf%204.30.2020.mp4?dl=0>