



# PANDEMIC UNEMPLOYMENT ASSISTANCE

## Frequently Asked Questions for REALTORS®

April 27, 2020

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NOTE: The Washington Employment Security Department (ESD) is implementing the PUA program to provide unemployment assistance for independent contractors and self-employed workers in Washington State.

The information in this FAQ document is accurate as of the date of this document, and will be modified as additional program guidance is issued by the ESD.



### Are REALTORS® eligible to receive PUA?

Yes. REALTORS® who are independent contractors or self-employed are eligible to receive PUA. Whether or not an individual REALTOR® will receive PUA benefits depends on each person's circumstances, including how much a person works and how much income they have from real estate brokerage and other work. The end of this document includes examples of how real estate income must be reported to the ESD and factored into any PUA benefit amount.

### When should I apply?

You should file your new unemployment and PUA claim as soon as you are not working 40 hours a week and you wish to start receiving benefits. You will also need to submit a weekly claim for every week that you want to receive benefits. The Director of the ESD has requested that only those with immediate financial hardship apply on Sundays or Mondays, and others wait until later in the week. The Director of the ESD has stated that unlike the federal PPP loan program, there is no risk that PUA funds will be not be available.

### How do I apply?

The ESD has an online application process, which you can access here: <https://www.esd.wa.gov/unemployment>.

Prior to filling out your application, we strongly recommend that you access the ESD Unemployment Benefits Application Guide and Checklist so that you will be fully prepared. You can access the guide and checklist here: <https://www.esd.wa.gov/unemployment/self-employed>



**In order to apply, you must:**

1. First obtain a Secure Access Washington (SAW) account.
2. Using your SAW account, you then follow the online process to apply for regular state unemployment (UI).
  - When you apply for regular UI, if you are an independent contractor, you must check “NO” to the question of whether you worked for a listed employer for more than 680 hours. Even though you may see the name of your real estate brokerage listed in the field of employers, do not indicate that you have “worked for” that brokerage if you are an independent contractor—that is for employees only. As an independent contractor, you will not be eligible for regular UI (because you are not an employee of a listed employer).
3. After this occurs, you can then start the PUA application process using your SAW account.

### **I started the process to file for regular UI, and incorrectly filed that I “worked for” (am an employee) of my real estate brokerage. What will happen and what should I do?**

Your real estate brokerage will be contacted by the ESD to verify that you are an employee and therefore eligible for regular UI. The brokerage should deny this ESD request following the instructions in the letter they receive from the ESD. You must contact the ESD either via email or phone to correct this filing error. The contact information for the ESD is in the question below.

### **What if I have income from an employer, in addition to my real estate work?**

If, in addition to your income as a real estate broker, you previously had or will have income from an employer, this information must be provided to the ESD in the application process. This information will be factored in to determine your eligibility for either regular UI or PUA, and the benefit amount.

### **What filing assistance is available?**

You should first view this online webinar for REALTORS®, provided by the ESD. This webinar will familiarize you with the ESD system, show how the online system works, and what you will need to apply. The link to the online webinar is here: [warealtor.org/covid-19](http://warealtor.org/covid-19)

### **What guidance is available for the application process for either regular UI (to be denied) or PUA (to receive benefits)?**

There is online and phone assistance available from the ESD, but the system is currently overwhelmed with demand and so extreme patience is required. Below are the phone numbers and online resources available to get assistance from the ESD:

1. ESD website  
[esd.wa.gov](http://esd.wa.gov)
2. eServices Account Support  
855-682-0785
3. Unemployment Insurance Claims  
800-318-6022
4. Unemployment Insurance Questions  
833-572-8400



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## If I am approved for PUA funds, how much is the benefit amount?

The amount of financial help varies. But if your application is approved, you will be paid at least the minimum weekly benefit amount, and if that amount is at least \$1 per week, you will also receive an additional \$600 for any weeks claimed between March 29 to July 25.

## Are there any ongoing requirements once I file, and am approved, for PUA?

Yes. The filing requirement is a weekly requirement, to cover the prior work week that ends on Saturday. So, starting on Sunday you could file a claim for the prior week if you did not work, or worked less than, 40 hours.

## What documentation do I need in the application process to show prior work history and income?

You will need to show proof of income for the 2019 tax year. The documents you will need depend on your business entity and tax filing status. The documents can include:

- IRS forms Schedule C, F, or SE (2019)
- 1099-Misc (2019)
- 2019 W-2 (not for self-employment)
- 1040 – Single filing
- 1040 – Joint filing
- 1125-E
- 1065 Schedule K-1

## If a real estate broker applied for and received federal Paycheck Protection Program (PPP) funds, is the broker still eligible for PUA funds?

This depends on the use of the PPP funds. If a broker is using the PPP funds to pay themselves for the week, they cannot claim PUA benefits for the week, unless they are only paying themselves a partial amount. In that case, the pay from PPP funds must be reported on the weekly claim and normal deductions will apply. If the broker is paying an employee, the employee cannot claim for the week, unless it is a partial payment. In that case, the pay should be reported on the weekly claim and normal deductions will apply. If a broker uses the PPP funds for other permitted purposes (i.e. pay rent, utilities), then it has no impact on PUA.

## Is there a maximum income threshold for receiving PUA benefits?

Yes. If you are working and have earnings for a week claimed, claimants must report their hours and earnings when they submit their weekly claim. Income received will be a deduction against the amount of PUA you could receive. The ESD's earnings deduction chart shows how much earned income will reduce your weekly benefit amount. If your weekly benefit amount is \$790 and your income is \$1,057 or greater, you will not receive any PUA benefits.

## Is there a maximum number of hours worked for receiving PUA benefits?

Yes. If you work more than 40 hours per week, you are not eligible for PUA because you have worked a full-time work week.



## If I can still generate some amount of income, how will that partial work and income be factored into PUA eligibility and the benefit amount?

It is important that brokers be able to report the number of hours worked for each week, and any income for the week when it is received. This is because when a person (the “claimant”) files a weekly claim for PUA, the claimant must report the number of hours worked when filing for the week they did the work. Those who receive income AFTER the week in which the work was performed have a responsibility to contact the ESD’s claims center and report the income. **This situation will often create an overpayment requiring you to reimburse the ESD because you received PUA benefits that did not consider this income.** For example, if over an 8-week period you work 20 hours per week without receiving income and receive PUA benefits, and then are paid \$4,000 in week 8, you must contact the ESD to report that \$4,000 in income. This \$4,000 income will be apportioned to the other 7 weeks previously worked, and your PUA benefit amount will be recalculated to include this income. You will owe the ESD any amount of PUA that was overpaid to you based on this reported income.

Alternatively, the ESD will allow you to estimate how much income you will receive in the future and report it on their weekly claim.

## The ESD has provided answers to an example of partial real estate brokerage income to be used as guidance on how to include and report real estate income in the PUA process...

### SCENARIO

Real estate broker is a self-employed/independent contractor. In 2019, broker had gross income of \$70,000 as shown on 1099/1040. In April 2020, the real estate market in the broker’s area slowed greatly because of COVID-19 economic impacts, as both the number of homes listed for sale and the number of potential buyers decreased. The broker is attempting to work, and can do so from home, but because of COVID-19 related market conditions, work is part-time and sales and income are greatly reduced compared to prior years because of lack of sellers and buyers.

### Question 1:

Broker works less than 40 hours during the week, has no successful sales, has no other employment or income for that week, and files for PUA on Sunday for that prior week. Is Broker eligible for PUA?

### ESD RESPONSE:

It depends. If they work less than 40 hours, then they should file a claim for that week. They will need to report the number of hours they worked. As for the income to report—if they report 0, then they will eventually need to contact us to update that with actual earnings for that week.



**Question 2:**

Broker works more than 40 hours during the week, has no successful sales, no other employment or income for that week, and files for PUA on Sunday for that prior week. Is Broker eligible for PUA?

**ESD RESPONSE:**

No, they are not eligible because they worked more than 40 hours, which is the standard for full time work.

**Question 3:**

Broker works during the week as a real estate broker, has no other employment and no income for that week, and has one client enter into a real estate purchase and sale agreement. That sale will close in 30 days, and if it closes, the broker will be paid a gross commission amount of \$8,000, which after taxes/expenses will net the broker \$6,000. Broker files for PUA on Sunday for that prior week. Is broker eligible for PUA? Does working more or less than 40 hours change this?

**ESD RESPONSE:**

Working 40 hours or more in any week will make them ineligible for any benefits. The broker will need to report all hours and earnings. The hours need to be reported during the week that the work was done. The earnings can be estimated and reported during the week that the work was done or the broker can contact us after the sale and report the earnings. They could initially be eligible, but after the earnings are reported, it could create an overpayment.

**Question 4:**

Broker works during the week as a real estate broker, and during that week receives payment of \$8,000 for a real estate transaction that closed that week, from a real estate sale that

occurred 30 days ago. (ie, Question 3) Broker files for PUA on Sunday for that prior week. Is broker eligible for PUA for that week? Does working more or less than 40 hours change this?

**ESD RESPONSE:**

Working 40 hours or more in any week will make them ineligible for any benefits. The broker will need to take the \$8,000 and divide that amongst all hours spent doing real estate work. They will then use that number to determine if they are eligible or not. All hours need to be reported when the work was done. Estimated earnings can be reported with those hours, but the broker will need to contact ESD for any adjustments when final payment is known.

**Question 5:**

In the question 4 example, broker has earned \$8,000 in gross income, and \$6,000 in net income for a single week. This means that broker's net income for that week is above the \$1,057 weekly threshold for PUA, and it is also above the \$1,057 weekly PUA threshold if divided among all weeks of the month. How does this income implicate any PUA benefits received in prior weeks? Does it impact PUA eligibility in future weeks?

**ESD RESPONSE:**

Earnings reported for any individual week is the key factor. If earnings reported are greater than the maximum earnings deductions for that individuals weekly benefit amount, they will not be eligible for unemployment benefits for that week. The \$1,057 is the maximum earnings deductions for someone that has a weekly benefit amount of \$790 per week. If a realtor has a weekly benefit amount of less than \$790, they will also have a lower earnings deduction as well. If they have \$6,000 of net earnings that needs to be reported, it should be dispersed into every week and hour that they conducted the work.

