



## **Income Replacement Guide for Competitive Athletes**

**Last Updated: April 17, 2020**

The outbreak of COVID-19 has massively disrupted the livelihoods of athletes. In line with our mission of supporting the development of emerging elite athletes, we have assembled this guide as a resource for individuals whose primary source of income comes from competition and associated activities, such as sponsorship, contracts with shoe companies, coaching, and community engagement.

As an athlete, you might manage your earnings in one of the following ways:

- as a sole proprietor (you file or will file a Schedule C with your 1040 personal income tax filing);
- as an independent contractor (you collect and file 1099-MISC forms); or
- as a self-employed individual (you receive payroll from a corporation or LLC that you own and operate).

All of these categories are eligible for the main federal support programs under the Families First Coronavirus Response Act (FFCRA) and the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which you can find summarized on the next page.

**OVERVIEW:**

**FAMILIES FIRST CORONAVIRUS RESPONSE ACT (FFCRA) AND THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT**

<b>Program</b>	<b>What Is It?</b>	<b>Amounts Available</b>	<b>How to Apply</b>
Pandemic unemployment compensation programs (FPUC/PEUC/PUA)	Unemployment compensation, which will now be made available to certain self-employed individuals and independent contractors under the Pandemic Unemployment Assistance (PUA) program.	Regular state unemployment benefits plus \$600/week in federal benefits through July 31 <sup>st</sup> . Regular benefits are extended by 13 weeks, up to a total of 39 weeks.	<b>Apply to your state's unemployment office.</b> You can find information on how to file for unemployment benefits in your state using this <a href="#">Benefits Finder</a> . While some states have already rolled out their PUA programs, many (including CA, WA, and others) will be doing so in the coming weeks. See below for information on these state-by-state timelines.
Paid Sick Leave and Family Leave	Tax credit, also available to certain self-employed individuals and independent contractors who can't work because they have symptoms, because of a quarantine or isolation order, because they are taking care of a family member who has symptoms, or because their childcare has been suspended.	Up to \$5,110 for sick leave, depending on your annual income for 2020.  Up to \$3,424 for family leave, depending on your annual income for 2020.	<b>Reduce payments of estimated income taxes based on the credit you will claim when filing next year's taxes.</b> To the extent that you will pay taxes on 2020 income between now and filing your 2020 tax return, you can reduce these payments by the amount of credit you plan to claim.
Paycheck Protection Program (PPP) <sup>1</sup>	Low interest (1.00%), short-term (2 year) loan with partial forgiveness. No payments are due for 6 months.	Up to 2.5x your average monthly payroll or net profits (earnings) for the year preceding the loan, capped at \$8,333/month. Eight weeks of earnings and certain business expenses are eligible for forgiveness.	<b>Apply to your bank.</b> Banks began accepting applications on April 10 <sup>th</sup> for self-employed individuals. Due to high demand, many banks are prioritizing existing customers, so you should start by approaching any banks that you already have a relationship with. You can apply for forgiveness on a portion of the loan after eight weeks.
Economic Injury Disaster Loan (EIDL) <sup>1</sup>	Low interest (3.75%), long-term (30 year) loan with emergency advance.	Up to \$200,000 based solely on your credit score. While waiting for your loan application to be approved, you can request an immediate advance of up to \$10,000, which will not need to be repaid if you don't get approved for the loan.	<b>Apply to the SBA.</b> The SBA now has a streamlined portal for COVID-19 EIDL loan applications, <a href="#">available here</a> .  <i>You can apply for both PPP loans and EIDL loans, if they're not used for the same expenses.</i>

<sup>1</sup> On April 16<sup>th</sup>, the SBA announced that it is currently unable to accept new applications for the PPP and EIDL since all of the funds have been earmarked. Congress is debating an expansion of the program, but we encourage you to consider other options and keep an eye out for announcements about additional program funding over the coming weeks.

## SELECTED PANDEMIC UNEMPLOYMENT ASSISTANCE (PUA) GUIDANCE

Each state is responsible for managing its own expansion of unemployment benefits to cover self-employed individuals and independent contractors. Therefore, timelines (including when to apply) and procedural matters may differ from state to state. Below is list of state-specific guidance and links for the states where the majority of our athletes are located.<sup>2</sup>

STATE	LATEST PUA GUIDANCE	WHEN TO APPLY	RESPONSIBLE OFFICE
AR	“The Department of Workforce Services is creating a new system to handle these claims, and the estimated time for this system to be up and running is approximately three (3) weeks. Those in the independent contractor/self-employed category should not to try and file for unemployment benefits until the system is operational, as they will be denied. Once the system is operational, payments will be backdated to when they ceased employment due to COVID-19.” (April 9)	End of April	DWS
AZ	“We are accepting applications for PUA, and these initial claims will be processed once the system modifications are in place.” (April 13)	Now (apply for regular unemployment benefits)	DES
CA	“We have a dedicated team working around the clock with state partners to build this new program as quickly as possible. The EDD will begin accepting online applications for this program on Tuesday, April 28. This page will be updated with instructions for filing a claim for PUA benefits when details become available.”	April 28	EDD
CO	“We are still programming our systems to begin accepting claims for workers who are eligible for benefits related to the CARES Act, including those who are self-employed (retroactive as far back as February 2 or when your work stopped as a direct result of COVID-19).” (April 12)	TBD	DOL
FL	“Q: If I am self-employed, do I need to file a claim online for Reemployment Assistance? A: Yes, you will first need to file a claim online to see if you are eligible for a regular claim. After you have submitted your claim, continue to check your CONNECT account for updates on what additional information is needed.” (FAQ)	Now (apply for regular unemployment benefits)	DEO
GA	“Starting April 22, 2020, individuals not eligible to receive state unemployment benefits will receive notification by email with a link to the application or mail containing information regarding the PUA application process.” (April 13)	Now (apply for regular unemployment benefits)	DOL
IA	“Your claim will be reviewed to determine if you have wages reported in Iowa to qualify for a regular unemployment insurance claim. If you are self-employed and denied regular UI benefits, you will be required to submit proof of earnings online for Iowa Workforce Development (IWD) to determine your eligibility for PUA. Acceptable forms of proof are listed further down this page in the section titled “What Do I Need to Provide.” The link to submit proof of earnings online is: <a href="http://www.iowaworkforcedevelopment.gov/pua-application">www.iowaworkforcedevelopment.gov/pua-application</a> .”	Now (apply for regular unemployment benefits)	IWD

<sup>2</sup> The Association of Builders and Contractors maintains a [State Pandemic Unemployment Assistant Status for all 50 States](#) (last updated April 8).

## SELECTED PANDEMIC UNEMPLOYMENT ASSISTANCE (PUA) GUIDANCE

STATE	LATEST PUA GUIDANCE	WHEN TO APPLY	RESPONSIBLE OFFICE
<b>IL</b>	“The PUA program has been established for individuals who are unemployed for reasons attributable to COVID-19 and not covered by the state’s regular unemployment insurance program. To establish eligibility under the new program, the claimant will have to demonstrate he/she is not eligible under the regular program. Applying for and being denied benefits under the regular program can help establish eligibility under the new temporary program.” ( <a href="#">April 15</a> )	Now (apply for regular unemployment benefits)	<a href="#">IDES</a>
<b>MA</b>	Self-employed “individuals will not be able to claim benefits directly through the UI Online System in Massachusetts, as of this time. The Department of Unemployment Assistance has engaged a vendor to build a new platform to disburse PUA benefits. The platform is expected to begin accepting PUA claims on or around April 30, 2020. Eligible claimants under PUA will be retroactively compensated with this benefit beginning February 2, 2020, or the first week a claimant was unable to work as a result of COVID-19, whichever date is later. The last week this benefit is payable is the week ending December 26, 2020.”	April 30	<a href="#">DUA</a>
<b>NC</b>	“We anticipate the system will be ready to accept claims for this assistance around April 25, 2020. Independent contractors and self-employed workers may file for unemployment insurance assistance at any time. However, until system updates are completed, no eligibility determinations will be made for the PUA program. Being found ineligible for state unemployment insurance does not make you ineligible for federal assistance.”	Now (apply for regular unemployment benefits)	<a href="#">DES</a>
<b>NJ</b>	“Per federal rules, an applicant for Pandemic Unemployment Assistance (PUA) must first be assessed for traditional unemployment insurance benefit eligibility. If you are denied traditional unemployment benefits, you can always file an appeal, which takes time. Once denied, you are most likely eligible for benefits under Pandemic Unemployment Assistance since ineligibility for regular unemployment is a prerequisite for receiving these expanded benefits due to COVID-19.” ( <a href="#">April 12</a> )	Now (apply for regular unemployment benefits)	<a href="#">DUI</a>
<b>NM</b>	“The COVID-19 stimulus bill will expand Unemployment Insurance benefits, known as Pandemic Unemployment Assistance (PUA). We are setting up our system to process these claims. There is no need to call the Unemployment Insurance Operations Center at this time. The department will announce when you are able to starting filing your initial claim. The application process for the Self-Employed Stimulus Payment (SESP) is now closed. If you were unable to apply for SESP or did not receive an approval, you may still apply for Pandemic Unemployment Assistance (PUA) when it becomes available later this month.”	End of April	<a href="#">DWS</a>
<b>NY</b>	“You can file a PUA application online at <a href="http://labor.ny.gov">labor.ny.gov</a> . Please note, you cannot apply for PUA until you 2 have been determined ineligible for UI benefits. You must apply for UI before you apply for PUA.” ( <a href="#">March 31</a> )	Now (apply for regular unemployment benefits)	<a href="#">DOL</a>
	<a href="#">Additional Guidance</a> on how to apply as self-employed individual.		

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STATE	LATEST PUA GUIDANCE	WHEN TO APPLY	RESPONSIBLE OFFICE
OR	<p>“If you are filing a new Unemployment Insurance claim, the day you should apply is based on the first letter of your last name. A - F file on Monday   G - N file on Tuesday   O - Z file on Wednesday Missed your day? File on Thurs-Fri-Sat-Sun.”  <a href="#">(How to File a Claim)</a></p>	<p>Now                      (apply for regular unemployment benefits)</p>	<p><a href="#">Employment Department</a></p>
RI	<p>“This site permits a Rhode Island gig economy worker, contract worker, small business owner, worker for hire, self-employed, or other individual ineligible for regular unemployment insurance, who is out of work because of COVID-19, to apply via the Internet for COVID-19 Emergency Unemployment Insurance benefits.”</p>	<p>Now                      (through  <a href="#">Emergency Unemployment Claims System</a>)</p>	<p><a href="#">DLT</a></p>
TX	<p>“The Texas Workforce Commission (TWC) encourages those who have not yet applied for Pandemic Unemployment Assistance (PUA) as a result of COVID-19 to apply now. Individuals affected by COVID-19 can apply for PUA benefits online through <a href="#">Unemployment Benefit Services</a> 24 hours a day, seven days a week, or by calling a TWC Tele-Center any day between 7 a.m. and 7 p.m. at 800-939-6631. When applying, individuals affected by the pandemic should indicate that as the reason they lost their job.” <a href="#">(April 13)</a></p>	<p>Now                      (through  <a href="#">Unemployment Benefits Services</a>)</p>	<p><a href="#">TWC</a></p>
WA	<p>“We are working as quickly as possible to implement the changes under the federal legislation and are targeting April 18 to have the expanded benefits ready.”</p>	<p>April 18</p>	<p><a href="#">ESD</a></p>

## OTHER SUPPORT & RELIEF

In addition to the support programs above, federal and state governments are providing other, more limited forms of relief.

### Economic Impact Payments

Most U.S. residents will receive a one-time payment from the federal government, depending on your tax filing status and income.

Filing Status	Adjusted Gross Income (AGI)	Payment
Individual	Up to \$75,000	\$1,200 + \$500 for each child under the age of 17 you claim on your taxes
	\$75,000 to \$99,000	Reduced by \$5 for every \$100 in adjusted gross income above \$75,000
	Above \$99,000	No base payment (payments for dependent children continue to be phased out)
Head of Household	Up to \$112,500	\$1,200 + \$500 for each child under the age of 17 you claim on your taxes
	\$112,500 to \$136,500	Reduced by \$5 for every \$100 in adjusted gross income above \$112,500
	Above \$136,500	No base payment (payments for dependent children continue to be phased out)
Married Filing Jointly	Up to \$150,000	\$2,400 + \$500 for each child under the age of 17 you claim on your taxes
	\$150,000 to \$198,000	Reduced by \$5 for every \$100 in adjusted gross income above \$198,000
	Above \$198,000	No base payment (payments for dependent children continue to be phased out)

A payment calculator and chart of income-based phase outs are available from [the Tax Foundation](#).

No additional action is needed by taxpayers who:

- have already filed their tax returns this year for 2019. The IRS will use this information to calculate the payment amount.
- haven't filed yet for 2019 but filed a 2018 federal tax return. For these taxpayers the IRS will use their information from 2018 tax filings to make the Economic Impact Payment calculations.

You can check [Get My Payment](#) for the status of your economic impact payment.

## OTHER SUPPORT & RELIEF

### Health Insurance

Since athletes' health is their greatest asset, we anticipate that continuing health insurance coverage will be top-of-mind. Your eligibility for different state-level Medicaid programs or marketplace plans may vary. If you're enrolled in a marketplace plan and your income has changed, you may qualify for additional subsidies and should update your application. Your insurance provider may also have a state-mandated grace period during which your coverage can't be terminated for non-payment—ranging from 1 to 3 months based on state law. Additional guidance is available from [HealthCare.gov](https://www.healthcare.gov).

### Student Loan Relief

All federal student loan borrowers will be automatically placed in administrative forbearance from March 13<sup>th</sup> to September 30<sup>th</sup>, during which time no interest will accrue. You can learn more at [Federal Student Aid](#).

### Deferral of Self-Employment Taxes

Self-employed individuals may defer payment of 50% of the social security tax imposed on their net earnings (6.2% of net earnings up to \$137,000) starting March 27<sup>th</sup>. If you receive a PPP loan, you may defer payment of the taxes through the date that your forgiveness was approved. If you are not receiving a PPP loan or not receiving forgiveness, you may defer payment of taxes due through December 31<sup>st</sup>. 50% of the deferred taxes (including any amounts due before your PPP loan was forgiven, but that you deferred) will be due December 31<sup>st</sup>, 2021. The other 50% will be due December 31<sup>st</sup>, 2022. You can learn more at the [IRS FAQ on the deferral program](#).

### Employee Retention Credit

The IRS has made it clear that self-employed individuals cannot claim the Employee Retention Credit on their self-employment services or earnings.

### State and Local Relief

Some states, cities, and municipalities have established additional support programs for small businesses and self-employed individuals. You can check the site of your local employment office and economic development office to see what programs might be available to you.