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'Gig' workers can get financial help, but it isn't easy

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Relief is now available for independent contractors and “gig” workers like Uber drivers and hairdressers. But getting it can seem almost impossible.

Those workers and others like website developers, songwriters, Realtors, freelance maintenance workers, food delivery drivers and home share hosts are entitled to unemployment compensation under the coronavirus relief legislation passed by Congress. And Small Business Administration loans are [another potential source](#) of aid.

But accessing the money is difficult, with Florida’s jobless claims system all but paralyzed by the sheer volume of applications. And there is no dedicated path for independent contractors to file. Banks, meanwhile, also have suddenly found themselves awash in SBA loan applications, and there is no certain date for when the money will flow to those who need it.

Unemployment compensation

Marty Butler, a Realtor from Boca Raton, spent hours last week submitting his unemployment application online using [Florida’s faulty system](#). “Every time you get to the finish line, they put a wall up.”

“I gave them everything but my blood already,” Butler, 72, said. “The state was totally unprepared for this.”

David Lowell, an Uber and Lyft driver in Delray Beach, has been driving full time since 2014. He also manages social media groups for Florida drivers with close to 10,000 members.

Lowell, 63, continued to drive until Monday when he decided it was becoming too dangerous. He has an auto immune disease and children.

Lowell is unsure if Florida will grant him unemployment, but he submitted an application in the wee hours of Tuesday morning because he heard that is when the system functions best.

Here are answers for people like him:

As an independent contractor or gig worker, am I really eligible for unemployment?

Yes. Thanks to the act, self-employed people who were once ineligible to seek state jobless claims can now apply for benefits. The money is based on previous income earned. Through July, applicants can also get a \$600 weekly payout from the U.S. government on top of the state money.

“This is what we call pandemic unemployment assistance,” said Michael Pike, a labor and employment lawyer at the law firm of Pike & Lustig in West Palm Beach. “It provides for independent contractors to submit certain documentation that has not been clarified yet to prove they are ready and willing to work.”

“The individual needs to be self-employed and seeking part-time employment,” he said, but must also show how the pandemic forced the person out of work, such as the shutdown of a place of employment, the need to care for a child, or that he or she has been diagnosed with COVID-19 or is showing symptoms.

What is the state doing to fix the claims system?

Gov. Ron Desantis hired a private call center company to supply 250 workers to help with telephone inquiries and computer problems. He added 72 computer servers to the existing system operated by the Department of Economic Opportunity and redeployed hundreds of other state workers to help handle claims.

On Wednesday, DeSantis said he supports retroactive payments for workers who have been unable to access the system. The workers, he said, should be paid starting with the time they first tried to file.

Also Wednesday, the department started a new website to handle claims: www.Floridajobs.org/RAApplication.

Is there a special system for gig workers and independent contractors to use?

No. The department says those workers should file through the same avenues as everyone else. Among the questions you'll be asked: the name of your employers, the address, the employer's phone number, your start and end date and the reason for separation.

Butler said the questions can be difficult to answer as an independent contractor, but it is important to have the information handy. Skipping an answer can halt the process and trying to go back to other sections of the application is a recipe for being forced to start all over.

How much can each applicant receive?

Up to \$275 weekly over a maximum of 12 weeks from the state, as well as a \$600 weekly benefit provided by the federal CARES Act through the end of July.

Michael Pike, a labor and employment lawyer with Pike & Lustig in West Palm Beach, said he has not heard any discussion of how the state intends to disburse the federal money.

SBA loans

Other money is available through a series of Small Business Administration loans, authorized under CARES, the coronavirus relief act.

The most notable is the paycheck protection program. Funded with \$349 billion, it allows businesses that employ between one and 499 people to borrow money to cover up to eight weeks of expenses such as payroll, mortgage payments, rent and utilities. Companies can borrow up to two months of their average payroll.

But independent contractors are eligible, too.

When can I apply?

Eligibility for freelancers started Friday, April 10, one week after the program started for small businesses.

But loan applications did not appear to be ready as a number of contractors were unable to obtain them, said Rachel Sapoznik, who owns Sapoznik Insurance in North Miami Beach. Her business, which employs 55 people, applied for its own payroll protection loan. She said she works with a number of agents who are independent contractors.

Several, she said, couldn't obtain applications.

"To date the focus has been on small businesses because banks, and frankly the government, are figuring everything out as we go," said Andy Alan, a director at the Marcum accounting and

consulting firm in Fort Lauderdale. "This has probably been the largest loan program in the history of the country. They have only had a week or two to make sense of everything."

How do I apply?

Borrowers — including sole proprietors — can apply through any SBA lender, federally insured banks that participate in agency lending programs or federally insured credit unions. A list of lenders can be found on www.sba.gov.

Are there special requirements for independent contractors?

Banks contacted by the South Florida Sun Sentinel said they hadn't had time to figure that out because of the volume of applications from small businesses that started to roll in April 3. Other financial executives said there has been a lack of direction from the SBA.

"There has been a serious lack of guidance from the SBA on how to process these loans and making sure we are getting money into the hands of people that need it as quickly as possible," said Jared M. Ross, president of the League of Southeastern Credit Unions & Affiliates in Tallahassee.

Do I need to be a bank customer?

Technically, no. But it helps, financial executives and business owners say.

U.S. Rep. Ted Deutch complained in a letter to U.S. Treasury Secretary Steven Mnuchin that applicants are being denied equal access to the program by "additional requirements" that are not in the CARES Act. Maintaining a bank account, for example, is one of them.

"Right now if you don't have a banking relationship you're in the back of the line," Sapoznik said. "They say, 'We've got to make sure we take care of our clients.' I feel very bad for what's going on."

Ross said borrowers seeking loans from a credit union do need to qualify for a membership in the institution.

Robert Barthelmess, managing partner at BGI Capital, a commercial real estate lending firm in Miami, said his firm is helping independent contractors with their loan applications. "We are advising all of our clients that the best way for you to access a loan is to go directly to your bank," he said. "That is your best chance or fastest opportunity you have."

I don't employ anyone. How do I show a payroll cost to calculate how much I'll receive?

The act says workers can claim wages, commissions, other income and net profits from self-employment up to \$100,000 annually.

Can I collect both unemployment and loan money?

You could be accused of “double dipping.”

“For an eight-week period their wages are going to be replaced by the paycheck program,” said Alan of Marcum. So collecting from both sources “would be considered double dipping,” he said.

“The federal government will be looking for double dippers,” Pike said. He added that both unemployment and SBA loan applications ask applicants if they received money from other sources.

“What the federal government or banks choose to do with the information is up to them,” he said.

When would the loan money start flowing?

Politicians say it should start as soon as possible. But as with unemployment compensation, the volume of applicants is slowing the process, with banks saying they’re working around the clock to meet demand.

Sapoznik said she was hoping her loan money would arrive Friday, but is now being told Monday or Tuesday.

“I know for a fact a number of my business clients have been approved for the PPP program, meaning it’s gone through underwriting and it’s waiting for funding,” said Pike. “None of my clients have yet to receive the funding, but they will.”

Butler, the Boca Raton real estate broker, applied for a loan last Saturday, which he said was a much smoother process than filing his unemployment application. “It took one shot,” he said. Although he hopes he will qualify so he can use it to cover his bills while he is unable to show homes and close deals, he says he knows it isn’t a guarantee. “I’m not holding my breath.”