

United States Senate  
WASHINGTON, DC 20510

July 31, 2020

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
Washington DC 20510

The Honorable Charles Schumer  
Democratic Leader  
United States Senate  
Washington DC 20510

The Honorable Chuck Grassley  
Chairman  
Senate Finance Committee  
United States Senate  
Washington DC 20510

The Honorable Ron Wyden  
Ranking Member  
Senate Finance Committee  
United States Senate  
Washington DC 20510

Dear Leader McConnell, Leader Schumer, Chairman Grassley, and Ranking Member Wyden:

As the Senate considers the next coronavirus relief package, we urge you to ensure that workers who have mixed forms of income from W-2 employment and 1099 contractor work can access the newly created Pandemic Unemployment Assistance (PUA) program while it is available.

In response to an unprecedented global pandemic, the Pandemic Unemployment Assistance (PUA) program was stood up to disburse benefits to workers who would normally not be eligible for unemployment assistance. These workers included independent workers, domestic workers, freelance workers, contractors, and other workers in alternative work arrangements. Based on the Bureau of Labor Statistics' latest research on this, as many as 1 in 10 American workers may presently participate in the labor market with this type of job as their primary form of occupation. This suggests that, ordinarily, millions of American workers are left without access to the safety net available to traditional workers.

The bipartisan intention of the new PUA program was to provide all workers – regardless of classification status – access to a safety net during this crisis. Even the U.S. Secretary of Labor, Eugene Scalia, acknowledged in a Senate Finance Committee hearing on June 9<sup>th</sup> that this was an important program. He noted that workers were “given financial support through the unemployment insurance benefit they received, which was a very good benefit for a closing economy.”<sup>1</sup> It is clear that allowing workers in alternative work arrangements to access the PUA program is an important lifeline for many during this crisis.

However, for workers whose primary source of income is independent, freelance, or self-employed work but who also receive some W-2 wages as a secondary source of income – such

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<sup>1</sup> U.S. Secretary of Labor Eugene Scalia. U.S. Senate Finance Committee hearing: “Unemployment Insurance During COVID-19: The CARES Act and the Role of Unemployment Insurance During the Pandemic.” June 9<sup>th</sup>, 2020. <https://www.finance.senate.gov/hearings/unemployment-insurance-during-covid-19-the-cares-act-and-the-role-of-unemployment-insurance-during-the-pandemic>

as working part-time as a server or caterer, retail worker, entertainment worker, or otherwise are hired by a company part-time as an employee – an exclusion leaves them without access to a safety net for their primary source of income. Specifically, we hope that modification of the PUA program can be made to allow individuals with over \$7,250 in self-employed income to request a reconsideration of their PUA eligibility, where both their 1099 and W-2 income will be aggregated for their weekly benefit calculation. Acknowledging that some states will be better positioned than others to implement this, participation in the fix to the PUA process should be optional for individual states.

Workers are still in need of a lifeline. This is the 19<sup>th</sup> straight week of over 1 million weekly unemployment claims filed. Last week, based on the unadjusted data released by the U.S. Department of Labor, 2 million Americans filed new unemployment claims – 1.2 million for regular unemployment insurance and almost 1 million for the PUA program.<sup>2</sup> Overall, data indicates that 33.8 million Americans are either receiving unemployment benefits or have applied and are awaiting approval.<sup>3</sup> Out of the total number of unemployment claims, more than 15 million have been for the PUA program. We are still very much in the middle of an unemployment crisis.

Under ordinary circumstances, millions of workers in our labor market receive income from different sources. In the next iteration of PUA, we ask that Congress amend the Pandemic Unemployment Assistance program to take into consideration this nuance.

We appreciate your past support for the provisions in the CARES Act which intended for all workers, regardless of classification status, to have access to a basic social safety net during this crisis.

Sincerely,



Mark R. Warner  
United States Senator



Tina Smith  
United States Senator



Richard Blumenthal  
United States Senator



Kamala D. Harris  
United States Senator

<sup>2</sup> U.S. Department of Labor (DOL) Unemployment Insurance Weekly Claims (News Release), retrieved from DOL, <https://www.dol.gov/ui/data.pdf>, July 30, 2020

<sup>3</sup> Ibid.



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Edward J. Markey  
United States Senator

/s/ Martin Heinrich

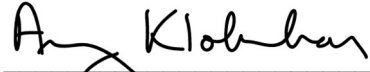
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Martin Heinrich  
United States Senator



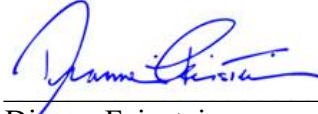
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Elizabeth Warren  
United States Senator



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Amy Klobuchar  
United States Senator



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Dianne Feinstein  
United States Senator



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Christopher A. Coons  
United States Senator