

Mixed Earners Unemployment Compensation Program FAQs

What is the Mixed Earners Unemployment Compensation (MEUC) program?

The MEUC program was enacted by the Continued Assistance for Unemployed Workers Act of 2020 and provides a \$100 supplemental benefit to certain individuals who had both employment and self-employment prior to becoming unemployed during the pandemic. The program is payable for weeks ending January 2, 2021, through September 4, 2021.

MEUC is intended for claimants who qualify for regular unemployment compensation (UC) benefits and had at least \$5,000 in net self-employment income. Self-employment income may not typically be used to determine eligibility for unemployment benefits. However, under the MEUC program, claimants who have sufficient net self-employment wages may be eligible for the added \$100 weekly benefit amount.

The Maine Department of Labor will begin to accept and process MEUC applications on April 29, 2021. The last date to submit a MEUC application will be November 3, 2021.

Individuals receiving Pandemic Unemployment Assistance (PUA) are <u>not</u> eligible for MEUC benefits because their self-employment income has already been taken into consideration.

What you need to know about MEUC:

- MEUC Program is payable for weeks ending January 2, 2021, through September 4, 2021.
- The MEUC \$100 supplemental payment is in addition to the \$300 Federal Pandemic Unemployment Compensation (FPUC) supplemental payment and the underlying unemployment benefit payment.
- Unlike the FPUC program, the MEUC program has its own eligibility requirements; individuals are not automatically eligible for MEUC if they are eligible for UC.
- MEUC is available to individuals receiving certain unemployment insurance benefits who received at least \$5,000 of net self-employment income in the most recent taxable year ending prior to the individual's application for regular Unemployment Compensation.
 - If regular Unemployment Compensation initial claim is filed during calendar year
 2020, then self-employment income from tax year 2019 is used. If the regular UI

The Maine Department of Labor is an equal opportunity provider. Auxiliary aids and services are available to individuals with disabilities upon request.

initial claim is filed during calendar year 2021, then self-employment income from tax year 2020 is used.

- Payments to eligible claimants will be **retroactive**. If eligible, you would receive MEUC for each week January 2 through September 4, 2021, for which you received unemployment benefits, including Pandemic Emergency Unemployment Compensation (PEUC), if otherwise eligible for a benefit payment.
- An individual must be eligible to receive at least one dollar (\$1) of underlying unemployment benefits to receive the \$100 MEUC for that week.
- MEUC is taxable income.
- MEUC is subject to child support deductions.
- FPUC fraud and overpayment requirements and overpayment offsets apply to MEUC.

Am I eligible?

MEUC is available to individuals receiving certain unemployment insurance benefits who received at least \$5,000 of <u>net</u> self-employment income in the most recent taxable year ending prior to the individual's application for unemployment compensation.

• MEUC is a federal program and employers are not charged for MEUC benefits

Do I need to apply for MEUC?

If you think you meet the requirements outlined above, you must submit an application for MEUC so that we can determine if you are eligible. Only one application is needed; you do not need to apply each week. If eligible, you would receive MEUC for each week January 2 through September 4, 2021, for which you received unemployment benefits, if otherwise eligible.

How do I apply for MEUC?

The Maine Department of Labor is required to provide all potential eligible individuals for MEUC with a notice and instruction by mail and in their ReEmployME account correspondence. Those who may be eligible for the program have been notified by Bureau of Unemployment Compensation (BUC) with instructions on how to apply for the MEUC program benefit. Claimants may also review the MEUC <u>claimant guide</u> for a step-by-step instruction of how to apply.

What is acceptable documentation to determine eligibility for MEUC?

The documentation must show <u>net</u> self-employment income of at least \$5,000 during the most recent taxable year in which you filed your unemployment claim. (If you filed your initial The Maine Department of Labor is an equal opportunity provider. Auxiliary aids and services are available to individuals with disabilities upon request.

unemployment claim in 2020, provide your 2019 tax year documentation. If you filed your initial claim in 2021, provide your 2020 tax year documentation.)

Acceptable documentation of self-employment income could include, but is not limited to:

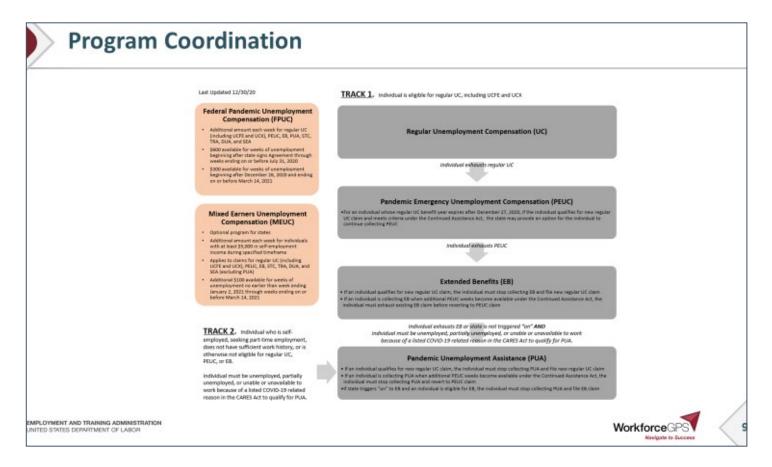
- Federal form 1040 AND:
 - Schedule C Profit or Loss from Business Sole Proprietorship
 - Line 31 will be used to determine net income
 - Schedule F Profit or Loss from Farming
 - Line 34 will be used to determine net income
 - Schedule J Income Averaging for Farmers or Fishermen
 - Line 22 will be used to determine net income
 - Schedule K-1 Partners share of income, deductions, credits
 - Line 14 will be used to determine net income
- Income statement (may be pulled from accounting software such as Quick Books),
 which lists income and expenses, as well as net income, combined with a secondary document such as a 1099-MISC or 1099-NEC.
- If income tax return is not available (if individual has not yet filed it), submission of
 alternative documentation is permissible. Acceptable alternative documentation
 includes the following (when submitting any of the below, please note they need to
 clearly indicate <u>net</u> income for the Department to be able to make a determination on
 eligibility):
 - pay-check stubs
 - bank receipts
 - business records
 - ledgers
 - signed contracts
 - invoices
 - billing statements

Note: When determining MEUC eligibility, if there is a question about whether documentation substantiates self-employment income or whether there is an employer – employee relationship (e.g. income included in wage records), then state Unemployment Compensation law and policy will be the basis for making this determination.

Any MEUC payment made, which is later determined to be paid as a result of false a statement or fraudulent documentation will be considered an overpayment. The law

provides penalties for making false statements or concealing material facts to obtain or increase benefits.

The following is a slide from the U.S. DOL's Employment and Training Administration PowerPoint on UIPL 15-20, Change 3 which outlines Unemployment Compensation Program Tracks 1 and 2.



Please continue to check www.maine.gov/unemployment for updates. If you have any questions, contact our Unemployment Claims Center at 1-800-593-7660.