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The good news for nearly 3 million self-employed Californians, gig workers and independent contractors is they are now eligible for special [unemployment benefits](#). The bad news for many is they probably won't get them.

“For folks having to deal with this, it has been insanely frustrating,” said Kyle Petrozza, 38, a Los Angeles freelance commercial photographer.

Petrozza is among untold numbers of recently idled workers who have found themselves shut out of the Pandemic Unemployment Assistance program, or PUA, a

key provision of the Coronavirus Aid, Relief and Economic Security Act signed in

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would become the basis for unemployment benefits — and disqualify them from claiming their self-employment income.

In Petrozza's case, he had W-2 income of about \$3,400 in 2019, a fraction of the net income from his commercial photography business. That translated to a regular unemployment benefit of \$159 a week, far less than he would have received through Pandemic Unemployment Assistance, he said.

Petrozza calculated that the difference in benefits will cost him thousands of dollars.

Such mixing of payroll work and self-employment is common among entertainers, photographers and seasonal workers who pick up freelance work the rest of the year. Many have dubbed themselves "hybrid" workers.

California musicians are among the hardest hit, said Los Angeles attorney Jordan Bromley, who estimates that more than 100,000 of them could be shut out of pandemic unemployment assistance.

Though the vast bulk of their income is from self-employment, Bromley said, most also pick up occasional W-2 work.

"A couple of union gigs and it knocks you out of the PUA," said Bromley, who is on the board of Music Artists Coalition, which represents more than 60 professional organizations. "That's what we are seeing."

The group has been reaching out to state officials and members of Congress to find a solution to the problem, Bromley said. State officials' hands appear to be tied by how the CARES Act was written, he said, so it will require a legislative fix.

Loree Levy, deputy director of the California Employment Development Department, which oversees the unemployment system, agreed that the CARES Act leaves no room

for interpretation about who can receive the pandemic assistance.

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people are creative and do a whole bunch of different kinds of jobs and sometimes the W-2 is a very small part of your overall income.”

Su said she is aware of efforts to change the rules.

“But until that happens, we have to comply with what the federal law says about PUA,” she said.

Steven Wilkin, an electronic musician who lives in Los Angeles and also has worked as a ride-share driver, said he “completely got hosed on the PUA” because of W-2 pay that made up just 3.7% of his 2019 income.

“They took a W-2 from me that I had in the third quarter of 2019 for a commercial I did,” he said. “It was one day of work and it paid \$2,000 and they issued me a W-2.”

Based on that amount, he was granted \$77 a week in regular unemployment benefits and has been unable to secure pandemic unemployment assistance. He figures the difference between the two benefits will cost him about \$6,000.

Wilkin, 39, and others said they had operated under the belief — in some cases gleaned from information on the state’s [Employment Development Department website](#) or through phone calls to its call center — that they could file for regular unemployment benefits and then either cancel them or update them with their self-employment income when the PUA opened up.

They have since learned that is not the case.

“Nope, sorry, your W-2 income disqualifies you and there’s nothing you can do about it,” Wilkin said. “I’m so upset by the whole thing. I woke up at 3:30 this morning because I have so much anxiety about it.”

Michelle Faucheux, 45, a freelance commercial film producer who lives in Silver Lake,

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problems including computer crashes that have frozen the applicant web page.

She said she finally got a one-sentence answer to her many emails asking how to claim her self-employment income.

“Your 1099 income does not qualify’ — that’s all it said,” Faucheux said.

She gave up and filed for benefits based on her \$5,000 W-2 income.

“It’s very frustrating,” she said. “I feel like I’ve been beating my head against the wall. ... I have had a lot of emotional distress over it.”

She’s hardly alone.

More than 2.8 million Californians were gig workers or independent contractors in California by 2016, according to an analysis of IRS data published last year by a group of academic and government researchers.

Before the Pandemic Unemployment Assistance program, they would have been ineligible for benefits for their self-employment income.

The pandemic assistance program offers them up to 39 weeks of benefits at \$167 a week, and comes with an additional \$600 weekly CARES Act stipend through July.

State officials said the \$167 will be raised to a maximum of \$450 a week for recipients who earned more than \$17,368 in 2019, but they have not provided a timetable for that.

More than 3.5 million unemployment claims have been filed in recent weeks, California officials say, and they expect a similar number of new ones through the PUA.

The overwhelming volume has only compounded problems for people like Gil Imber,

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The Ducks were generous enough to pay him through the end of the coronavirus shortened season, Imber said. And he was delighted to learn that his non-Ducks gigs, which vanished with the spread of COVID-19, would qualify for unemployment benefits.

“I thought, ‘Oh, great, the CARES Act is going to take care of me,’” said Imber, 32, who lives in Sherman Oaks.

“The problem was that at the end of March and in early April, nobody knew how to apply for it,” he said.

His attempts to apply based on his self-employment income during the reigning confusion wound up in getting unemployment benefits for his Ducks income — a situation he had specifically tried to avoid.

Now he's not sure what to do with the money.

“I am wholeheartedly afraid to spend it ... What if I am not entitled to it, for one reason or another?” he said.

“Moralistically, I don't want to touch that money,” he said. “But we do have bills to pay.”

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