

Child Care Provider Questions and Answers on Unemployment Benefits

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Following are frequently asked questions and answers on unemployment benefits and Pandemic Unemployment Assistance for family child care providers and child care centers as well as information on worker protections related to COVID-19. The information on worker protections was provided by the Minnesota Department of Labor and Industry. The answers on unemployment benefits were provided by the Minnesota Department of Employment and Economic Development (DEED), which is the state agency that administers Unemployment Insurance (UI) and has implemented the federal Pandemic Unemployment Assistance Program. For more information, visit the links in the answers, [or contact a UI representative](#). Eligibility is complicated and varies from individual to individual. The best way to know if you are eligible is to apply. More information for self-employed people on how to apply is on the UI website, and self-employed people should follow these [step-by-step instructions](#).

Worker Protections: Federal Families First Coronavirus Response Act (FFCRA)

The FFCRA requires certain employers to provide employees with emergency paid sick leave and expanded family and medical leave for specified reasons related to COVID-19. The paid sick leave and the expanded family and medical leave provisions of FFCRA apply to certain public employers and to private employers with fewer than 500 employees. Small businesses with fewer than 50 employees may qualify for exemption from the requirement to provide leave due to school closings or child care unavailability if the leave requirements would jeopardize the viability of the business as a going concern. Also, health care providers and emergency responders can be excluded.

Generally, FFCRA provides that employees of covered employers are eligible for:

- Two weeks (up to 80 hours) of paid leave at the employee's regular rate of pay (up to \$511 a day and \$5,110 in the aggregate), where the employee is unable to work because the employee is quarantined (pursuant to federal, state or local government order or advice of a health care provider) and/or experiencing COVID-19 symptoms and seeking a medical diagnosis; or
- Two weeks (up to 80 hours) of paid leave at two-thirds the employee's regular rate of pay (up to \$200 a day and \$2,000 in the aggregate), where the employee is unable to work because of a bona fide need to care for an individual subject to quarantine (pursuant to federal, state or local government order or advice of a health care provider) or to care for a child (under 18 years of age) whose school or child care provider is closed or unavailable for reasons related to COVID-19; and
- Up to an additional 10 weeks of expanded family and medical leave at two-thirds the employee's regular rate of pay (up to \$200 a day and \$10,000 in the aggregate), where an employee, who has been employed for at least 30 calendar days, is unable to work due to a bona fide need for leave to care for a child whose school or child care provider is closed or unavailable for reasons related to COVID-19.

Call the U.S. Department of Labor, Wage and Hour Division, at 866-487-9243 with questions or visit [this page](#). You can also [learn more about worker protections related to COVID-19](#) from the Minnesota Departments of Labor and Industry (DLI), Human Rights, Employment and Economic Development (DEED), and Minnesota OSHA. This includes including use of sick leave and Family Medical Leave Act (FMLA), discrimination, reasonable accommodations, unemployment insurance benefits, workers' compensation, changes to working conditions, and workplace safety and health.

Family Child Care Provider Unemployment Benefits Questions

1) How do I report my hours worked? Is it the hours a family child care business is open? Is it the hours that children are present?

You will report the hours you work in self-employment. Keep a record of your hours worked (Sunday through Saturday) regardless of when you will be paid for those hours. You must report your earnings for the week you perform the work, not when you are paid for it. For self-employment, report your weekly earnings after you deduct your direct business expenses for that week. [More information.](#)

2) How do I report income given a variety of payment structures (weekly, bi-weekly, monthly)?

You must report your earnings for the week you perform the work, not when you are paid for it. If you are paid bi-weekly, you report earning for individual weeks in which the work was performed. [More information.](#)

3) When a provider has to temporarily close or not work due to public health guidance, are they and their employees eligible to receive unemployment?

Yes, they may apply for unemployment benefits during a temporary closure. Eligibility for a benefit payment is determined on a weekly basis. You may be eligible for benefits some weeks while working in self-employment and not others. If your earnings in any given week are more than your weekly benefit payment your benefit will be reduced to zero for that week. To be eligible for unemployment, applicants must work less than 32 hours (in any combination of employment, self-employment or volunteer work) and earn less than your weekly benefit amount.

4) How do I factor in receipt of a grant or forgivable loan - such as the Paycheck Protection Program (PPP), Economic Injury Disaster Loan (EIDL), philanthropic grant and Peacetime Emergency Grant - when I report my weekly earnings?

You will report any payments you receive in a particular week, such as through the PPP, as gross earnings or COVID-19 pay. Just like any other earnings you will report the earnings for the week you perform the work. [More information.](#)

5) What counts as net income? For family child care providers, their home and assets are a part of their business. How are the following considered in reporting:

- Mortgage principal and interest
- Food
- Supplies
- Etc.

When reporting self-employment earnings for a week, you can only deduct expenses that are unique to self-employment. You cannot deduct expenses that the average homeowner or average employee doing similar work would also incur. IRS rules do not apply; some expenses that are tax deductible are not allowed as deductions for unemployment benefit purposes. [More information.](#)

6) Are earnings considered net profit (child care payments minus expenses)?

You must report your hours worked and net earnings generated by that work, regardless of when you will receive payment. Sometimes this requires estimating your net earnings.

When reporting self-employment earnings for a week, you can only deduct expenses that are unique to self-employment. You cannot deduct expenses that the average homeowner or average employee doing similar work would also incur.

IRS rules do not apply; some expenses that are tax deductible are not allowed as deductions for unemployment benefit purposes. More information on the [UI website](#).

7) If my “earnings” or hours reported are more than the state’s unemployment benefit for that particular week, does that mean I can’t qualify for the minimum unemployment benefit under pandemic unemployment assistance?

Yes. The system will deduct 50 percent of your earnings from your benefit payment if you earn less than your weekly benefit amount. If you earn more than your weekly benefit amount you will not receive an unemployment benefit payment for that week.

8) If I re-open for child care for 3 days per week since only 2 of my 4 families need my services, and 3 days is what they will pay for, how will it impact UI or PUA?

Eligibility is determined on a weekly basis. You may be eligible for benefits some weeks while working in self-employment and not others.

To be eligible for benefits for any week, you must meet the following requirements:

- Be unemployed or partially unemployed as a direct result of COVID-19.
- Individuals are only entitled if:
 - No longer working through no fault of their own for one of the COVID-19 reasons below; and
 - Able and available to work (unless affected by COVID-19)
 - Diagnosed with COVID-19 or symptomatic and seeking diagnosis;
 - Member of household is diagnosed with COVID;
 - Caring for family member or member of household with COVID;
 - Child or child in household for which responsible is unable to attend school or daycare closed due to COVID-19 and school/daycare is needed for applicant to work;
 - Including those teleworking who need to provide constant and ongoing attention to their child’s care making it not possible to work from home.
 - Unable to reach place of employment due to quarantine;
 - Unable to reach place of employment because healthcare provided recommended self-quarantine;
 - Scheduled to start work, but doesn’t have a job or unable to reach work due to COVID-19;
 - Bona fide offer to start on a specific date and unable to start due to COVID-19;
 - Became breadwinner due to death of head of household from COVID-19;
 - Quit due to COVID-19;
 - Did not quit due to COVID-19 if paid sick/vacation leave is available;
 - Place of employment closed due to COVID-19; or
 - Gig economy worker unemployed as a result of COVID-19.
- **Work less than 32 hours** (in any combination of employment, self-employment, or volunteer work) and earn less than your weekly benefit amount.
- **Be able and available to work in self-employment**, unless impacted by COVID-19 in one of the above-listed ways.

Even if you meet the above requirements for a week, the system will deduct 50 percent of your earnings from your benefit payment. If you earn more than your weekly benefit amount will not receive an unemployment benefit payment for that week. [More information.](#)

9) Is there a percent of income loss that I have to show?

Eligibility is determined on a weekly basis. You may be eligible for benefits some weeks while working in self-employment and not others. If your earnings in any given work are more than your weekly benefit payment your benefit will be reduced to zero for that week. [More information.](#)

10) How do I indicate on the UI application that I am a self-employed child care provider?

[Information on how to apply.](#)

Follow this [step-by-step guide](#) on completing your application.

11) Are there better times of the day to receive person to person support?

[Information on contacting UI representatives.](#)

12) I have received a determination that I qualify for \$0. What are my next steps as I believe this to be an error?

If you received a determination that you qualify for \$0 on a standard unemployment benefit account, DEED will automatically review your eligibility under Pandemic Unemployment Assistance (PUA). Workers who are self-employed do not qualify for standard unemployment accounts, but may be eligible for PUA if unemployed due to COVID-19.

If you received a letter stating that you were not eligible for PUA, follow the appeal instructions at the bottom of the letter to notify DEED that you disagree.

Child Care Center Unemployment Benefits Questions

13) For nonprofit reimbursing employers, is there some sort of financial aid/break given if we have employees who qualify for unemployment?

Under Minnesota Statutes, section 268.047, subdivision 2(1), reimbursing employers are not charged for benefits paid if the federal government reimbursed the UI Trust Fund for those benefit payments. Under the CARES Act, benefits paid on FPUC (the extra \$600 per week), PEUC (the additional 13 weeks), and PUA (the new program for self-employed/independent contractors, and certain workers who are not eligible for standard UI accounts), are all fully reimbursed by the federal government. Reimbursing employers will not, therefore, be charged for those benefit payments.

In addition, the CARES Act provides that certain reimbursing employers will be reimbursed for the first “waiting week” of benefits paid on standard accounts, as well as for fifty percent of the remaining benefits paid on standard accounts.

14) If an employee's job remains available to them and they are uncomfortable (no health related reasons present) working do they qualify for unemployment benefits?

If your employer reopens and you are able to return to work (and not otherwise exempt under Executive Order 20-05), you need to do so. Refusing to return to work or quitting a job may affect your continued eligibility for unemployment benefits.

Each week when you submit a payment request, we ask if you quit a job or refused an offer of suitable employment. You must answer these questions truthfully. Intentionally providing incorrect information to obtain unemployment benefits or Pandemic Unemployment Assistance is considered fraud and may lead to criminal prosecution.

If you refuse an offer to return to work or you quit a job, we will send you a questionnaire to find out why you cannot return to work. We will also send a questionnaire to your employer.

We will review the information you both provide to determine your continued eligibility for benefits.

If you feel that your employer is not abiding by CDC and MDH guidance or by a required COVID-19 Preparedness Plan, please contact OSHA.compliance@state.mn.us.

15) When a center has to temporarily close or a center employee cannot work due to public health guidance, are employees eligible to receive unemployment?

Yes, they may apply for unemployment benefits during a temporary closure. Eligibility for a benefit payment is determined on a weekly basis. You may be eligible for benefits some weeks and not others. If your earnings in any given week are more than your weekly benefit payment your benefit will be reduced to zero for that week. To be eligible for unemployment, applicants must work less than 32 hours (in any combination of employment, self-employment or volunteer work) and earn less than your weekly benefit amount.

Child Care Centers may also be subject to the worker protections in the Families First Coronavirus Relief Act. The FFCRA requires certain employers to provide employees with emergency paid sick leave and expanded family and medical leave for specified reasons related to COVID-19. Refer to the information on the first page of this document regarding these requirements and for more information call the U.S. Department of Labor, Wage and Hour Division, at 866-487-9243 with questions or visit www.dol.gov/agencies/whd/pandemic/ffcra-employee-paid-leave.