

State-by-State Summary of Self-Employed Opt-In for Paid Family Leave

State	Income Documentation	Minimum Initial Enrollment Period	Contribution Rate
California	Previous Year's IRS Schedule SE, C, F, or K-1	2 years	5.13%
D.C.	Not specified	3 years	0.62%
Massachusetts	Not specified	3 years	0.63
New York	N/A	N/A	N/A
Washington	N/A ¹	3 years	0.255%

California

- Eligibility Requirements:
 - Sole proprietor, or general partner or managing member of LLC who is treated as a sole proprietor or partner for federal tax purposes.
 - Annual net profit of at least \$4,600 or a quarterly profit of \$1,150 if in business for less than one year.
 - Enroll in program for at least two years, unless:
 - Move out of state; or
 - Terminate self-employment.
 - After two years, individual may terminate coverage on an annual basis by filing a notice of termination on or before January 31.
- Documentation of Income:
 - Must file an annual income report that includes the amount of net profit or loss reported on IRS Schedule SE (self-employment), C (sole proprietorship), F (farming), or K-1 (partnership)
 - Annual income information determines quarterly premiums and benefits during future years.
- Elective coverage contribution rate for 2019 is 5.13%, with a minimum premium of \$235.98 and a maximum of \$6,072.43.
- Benefit ranges from \$62/week to \$1,252/week.
 - Individuals do not pay contributions during period of disability.
 - This means that an individual's contributions may rise for the remaining portions of a year.
- Coverage may be denied for individuals who:
 - are unable to perform his or her normal work due to injury/illness;
 - not normally and continuously engaged in a regular trade, business, or occupation;
 - intends to discontinue his or her regular trade, business, or occupation within eight months;
 - does not derive the majority of his or her income from his or her trade, business, or occupation;
 - is unable to provide tax documents showing that he or she has met minimum income requirements in the past year;
 - owes unpaid contributions;
 - previously terminated his or her elective coverage, has not completed the required waiting period, and is not eligible for a waiver of the waiting period; or
 - has violated California UI law (SDI is a part of that law) within the last 8 calendar quarters.
- Commissioner may terminate coverage of an individual who:
 - is not normally and continuously engaged in a regular trade, business, or occupation;
 - has discontinued his or her regular trade, business, or occupation;
 - has a seasonal regular trade, business, or occupation;
 - does not derive the majority of his or her income from his or her regular trade, business, or occupation;
 - has earned net annual profits below \$4,600 for three consecutive years;
 - has failed to make required contributions or file required returns for more than two years;
 - makes a false statement related to eligibility for coverage; or

¹ Washington State has not yet adopted rules or forms related to self-employed individuals.

- violates the California UI law.

District of Columbia

- **Has proposed rules but has not adopted them yet.**
- Enrollment:
 - Must opt-in for a minimum of 3 years, and then may opt-out during annual open enrollment period.
 - May also opt out if individual is no longer self-employed.
 - Individual who withdraws from Program two or more times will be barred from reenrolling for 5 years.
 - Individual who withdrew from Program and then reenrolled will not be permitted to receive benefits for one year after reenrollment.
 - Can enroll through the online portal by providing documentation of a DC business or professional license.
 - Must be registered with the DC Office of Tax and Revenue.
- Documentation of Income:
 - “Self-employment income” means gross income earned from carrying on a trade or business as a sole proprietor, an independent contractor, or a member of a partnership.
- Contribution rate of 0.62% of annual self-employment income.
 - Mayor will provide notice of how contributions will be collected.
 - Self-employment and wage earnings are combined for purposes of determining benefit.
- Max benefit is \$1,000.
- Can be disenrolled for failure to make payments and may reenroll after paying overdue amounts.

Massachusetts

- **Has proposed rules but has not adopted them yet.**
- Enrollment:
 - A sole proprietor, member of LLC or LLP, or individual who reports net profit or loss to IRS can enroll as a self-employed individual
 - Initial enrollment period of three years.
- Documentation of Income:
 - Self-employment income means an individual’s “net earnings from self-employment” as defined by Internal Revenue Code § 1402(a).
- Contribution rate of 0.63%.
 - Must submit a quarterly report through Massachusetts online tax portal and pay contributions due within 30 days after end of quarter.
 - Failure to pay contributions for a period of 3 years will permanently disqualify an individual from coverage.
- Eligible for benefits if made contributions during 2 of the last 4 calendar quarters.
- Employers that have a workforce composed of more than 50% self-employed individuals are required to provide notice of the program to the individuals they contract with.
 - Employer will deduct the self-employed individual’s contributions and pay employer portion of medical leave contribution.

New York

- A “sole proprietor, member of an LLC or LLP, or other self-employed person” an opt-in by purchasing an insurance policy that complies with the law.
- Must opt-in to both disability and family leave coverage.
- For new businesses (6 months old or less), waiting period of 6 months after opt-in before self-employed individual can use benefits. For businesses older than 6 months, waiting period of 2 years before self-employed individual can use benefits.
- Benefits are determined based on earnings during previous 52 weeks.

Washington

- **No rules adopted or proposed yet.**
- “Any self-employed person, including a sole proprietor, independent contractor, partner, or joint venturer, may elect coverage” for an initial period of three years, followed by one-year periods.
- Must elect both family and medical leave coverage.
- Must provide 30 days’ notice of intent to withdraw from coverage.
- Department may cancel coverage for individuals who fail to make payments or submit required reports.
- Premium is the same as the employee premium rate (initially 0.255%).