Self-Employed Individuals: Frequently Asked Questions

Eligibility

How do I know if I am self-employed?
To be considered self-employed by the Office of Paid Family Leave (OPFL), you need to carry on a trade or business as a:

- Sole proprietor,
- Independent contractor, or
- Member of a partnership.

The income you receive from your business must be reportable as self-employment income to the IRS. To be eligible for benefits, the income you earned must have been for work performed more than 50% of the time in DC.

For more information on self-employment income, visit: dcpaidfamilyleave.dc.gov/self-employed.

What if I'm only self-employed part-time?
Part-time self-employed individuals are still eligible for Paid Family Leave (PFL) benefits. If you work for an employer who is required to participate in the PFL program, then your PFL benefits may reflect both your self-employment income and your wages received from your employer. However, your total PFL benefits cannot exceed the maximum weekly benefit amount of $1,000.

Can members of the gig economy, such as Uber or Lyft drivers, opt in?
Yes, if you are an independent contractor, you are eligible to opt in as self-employed. To receive benefits, you must earn income for work performed more than 50% of the time in DC.

Opting in to the Program

When can I opt in?
There are two (2) times a self-employed individual can opt in:

- Every November and December (Starting in 2020), or
- Within 60 days of becoming self-employed in DC.

What documents do I need to opt in?
You must provide documents to prove your self-employment in DC. This can be done by providing a copy of your DC business license or occupational license. You can also submit:

- Contracts,
- Tax documents,
- Billings from or payments to a DC address (including electronic billings),
- Documents demonstrating that work was performed at a specific site in DC, or
- Similar documentation that demonstrates self-employment in DC.
How do I opt in?
You can opt in via the Online Portal at essp.does.dc.gov.

What is the Online Portal?
The online portal is a way for self-employed individuals to:
  • Report their self-employment income;
  • Pay quarterly contributions; and
  • Receive notifications from DOES.

You will use a separate online portal to file and monitor your benefit claims. For information on how to file for benefits, visit dcpaidfamilyleave.dc.gov.

What if I don’t have access to a computer? Can I still participate in the program?
If you don’t have computer access, you can request paper registration, communication, and filing from DOES.

How much does the program cost me?
Opting in to the program is free. You must pay a contribution of 0.62% of your DC gross self-employment income at the end of every quarter, starting the quarter that you opt in.

Contribution Equation:

\[ 0.62\% \times \text{Gross income from all self-employment businesses where you perform work more than 50% of the time in DC} \]

What is the payment schedule?
Income reports and contributions are due the day after a quarter ends. They will be considered late and subject to interest and penalties if they are not filed by the last day of the month following the close of a quarter.

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What happens if I don’t opt in?
If you don’t opt in when you are first eligible, then whenever you do opt in you must remain in the program for three (3) years.

Also, if contributions are not paid, or wage reports are not filed on or before the above due dates, there shall be added a penalty of ten percent (10%) of the amount due or $100, whichever is greater.

A covered employer who fails to adhere to the provided timetable listed above may be subject to interest, penalties, and/or the termination of their enrollment in the program without further notice.
Changes to Self-Employment

What if my business changes and I hire someone?
If you hire an employee, then you may be considered a covered employer and be required to create a separate employer PFL account to report and pay contributions on your employee’s wages. If you continue to earn self-employment income as a business owner, you can continue to maintain a separate self-employment PFL account.

What if I change my mind and want to opt out?
If you choose to opt out of the program and later decide to rejoin, you can’t apply for paid leave benefits for at least one (1) year after opting back into the program. In addition, if you opt out of the program two (2) or more times, then you can’t opt back in for five (5) years, starting from the date of your last opt out.

What if I stop being self-employed after I opt in?
If you’re no longer eligible for the program, then you can request to be removed from the program. Unlike opting out, you can request removal at any time without restrictions or penalties. To request removal, at least one of the following must occur:

• Your primary place of business moved outside of DC and you have no intention of earning self-employment income in DC within the next 52 weeks;
• You accepted employment from an employer (covered or non-covered), and you have no intention of earning self-employment income within the next 52 weeks;
• You have no intention of earning self-employment income from work performed more than 50% of the time in DC; or
• You have no intention of earning self-employment income within the next 52 weeks.

What if I want to opt back in after I’m removed?
If you earn self-employment income after being removed from the program, you will be considered opted into the program. You must notify DOES and resume paying contributions.

PFL Benefits Overview

How is paid family leave different from short-term disability insurance?
Unlike most short-term disability insurance plans, PFL will allow you to receive paid leave to care for family members and for parental bonding. However, some leave events related to personal medical leave and childbirth that are covered by PFL may also be covered under a short-term disability plan. PFL does not restrict your ability to receive short-term disability. Consult your insurance plan administrator, if you have any questions about how your short-term disability plan interacts with paid leave.

How much are benefits?
Benefits are determined on a sliding scale based on your reported income, up to 90% of your average weekly wage and up to a max of $1,000 for each week you’re on leave.

When Can I Receive Benefits?
The Office of Paid Family Leave began receiving claims for PFL benefits on July 1, 2020. Benefits are paid upon adjudication and approval of a claim.