

# Your Rights and Responsibilities



**Don Collins**

## Unemployment Payments Affected by Officiating

**Q** My unemployment compensation is being impacted by my officiating. Unemployment is considering the schools that officiate for as my employer, but I am an independent contractor. How can I prove my independent contractor status and what recourse do I have?

**A** State unemployment agencies are usually going to reduce their payout the moment that they find that an unemployed person generates income from officiating. The unemployment agency will reduce its payout regardless whether the official is an employee, an independent contractor, an assigner, or the owner of an officiating business. Those reductions simply follow the money.

State unemployment agencies generally use a formula that allows an unemployed person to receive a percentage of what they previously made so they can have a cushion while they presumably look for the next right job. Unemployment agencies generally adjust their payments when the unemployed person is out making their own income. Consequently, most unemployment agencies will ask how much money an unemployed person made from any source. The unemployment agency will then reduce its payout by some percentage of what the person made through his or her own initiative.

An unemployed person can tell if this is what is happening because they'll get a form asking them to detail all their income for a given time (that given time will probably be a week). The unemployed person will definitely know that is happening when his or her unemployment payment is reduced after he or she listed income on the form.

Unemployment agencies are generally looking for every dime that an unemployed person made whether that dime comes from work as an employee, an independent contractor or even self-employment. As with all things, there could be slight variances from state to state, but it is safe to say that in most states and in most circumstances an unemployment agency does not care if an unemployed person defines himself or herself as an employee or an independent contractor when making money during a period of unemployment.

It is very possible that some states have forms that refer to

income from employment or that some state unemployment workers loosely use the phrase employment, leading unemployed people to think that they're exempt when they're making money from being an independent contractor. It generally just doesn't matter. An unemployed person's benefits will usually be reduced once that person discloses that he or she is making money while unemployed.

An unemployed person who officiates will be of interest to an unemployment agency. State unemployment agencies are charged with ensuring that organizations that hire workers pay their fair share. Times are tough, and unemployment agencies have an obligation to aggressively pursue every potential dime. If an unemployment agency thinks that there is a chance that an employer is not making unemployment insurance payments on a group of employees, it will chase the person down for

payments, back payments and penalties. Most workers for state unemployment agencies don't know anything about officiating so it is very possible that once

you disclose your officiating income, the unemployment agency will go after the schools, leagues, governing bodies and officials associations that cut you checks.

In short, a state unemployment agency will reduce a person's unemployment payment based on his or her officiating income regardless of the person's status as an employee or independent contractor. A state unemployment agency will also be inclined to aggressively pursue an officials association, a school, a league or a governing body that pays the official the moment it thinks the official is an employee of the group that cuts his or her check.

*Donald C. Collins is the executive director of the San Francisco Section of the California Interscholastic Federation. He is a longtime basketball official and lawyer. This is intended for informational purposes and is not legal advice. □*



## CONTACT US

- CALL NASO** ..... **262/632-5448**
- E-MAIL NASO** ..... **naso@naso.org**
- VISIT OUR WEBSITE** ..... **www.naso.org**
- BUY NASO PRODUCTS** ..... **800/733-6100**
- Ask Us - Submit Your Caseplays** ..... **caseplays@naso.org**
- Referee Magazine** ..... **262/632-8855**
- E-mail** ..... **editor@referee.com**
- Website** ..... **www.referee.com**
- American Specialty Insurance** ..... **800/245-2744**
- NASO LockerRoom Password** ..... **GEAR**

## HAVE A PROFESSIONAL-SERVICES QUESTION?

**Utilize NASO's Member Information and Consultation Program**



**262/632-5448**