AMERICA'S SBDC CALIFORNIA

COVID-19

The Latest News & Resources for Your Business

Last updated 3/17/2020

californiasbdc.org/covid19

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TABLE OF CONTENTS

3-5 | SBA: Economic Injury Disaster Loan
6-8 | EDD For Business Owners
9-14 | EDD For Business Employees
15-16 | Business Interruption Insurance

THE THREE STEP PROCESS:

ECONOMIC INJURY DISASTER LOANS

About Economic Injury Disaster Loans

The U. S. Small Business Administration (SBA) provides low-interest, long-term economic injury disaster loans to small businesses, small agricultural cooperatives, and most private non-profit organizations to help meet financial obligations and operating expenses that could have been met had the disaster not occurred. EIDLs provide the necessary working capital to help small business survive until normal operations resume after a disaster.

STEP 1: Apply for Loan

- Apply online at the SBA's secure website disasterloan.sba.gov/ela.
- As a small business, small agricultural cooperative, small business engaged in aquaculture, or private non-profit organization you may borrow up to $2 million for Economic Injury.
- Substantial Economic Injury means that the business is unable to meet its obligations and to pay its ordinary and necessary operating expenses.

STEP 2: Loan Processing Decision Made

- SBA **reviews your credit** before conducting an inspection to verify your losses.
- A loan officer will determine your **eligibility** during processing.
- A loan officer works with you to provide all the necessary information needed to reach a loan determination. Our goal is to arrive at a decision on your application within 2 - 3 weeks.
- A loan officer will contact you to discuss the loan recommendation and your next steps. You will also be advised in writing of all loan decisions.

STEP 3: Loan Closed and Funds Disbursed

- SBA will prepare and send your Loan Closing Documents to you for your signature.
- Once we receive your signed Loan Closing Documents, a disbursement will be made to you within 5 days.
- Your loan may be adjusted after closing due to your changing circumstances or if the disaster lasts for an extended period of time.

Required Documentation

The following documents are required to process your application and reach a loan decision. Your Loan Officer and Case Manager will assist you to ensure that you submit the proper documentation. Approval decision and disbursement of loan funds is dependent on receipt of your documentation.

BUSINESSES

- Business Loan Application (SBA Form 5) completed and signed by business applicant.
- IRS Form 4506-T completed and signed by Applicant business, each principal owning 20% or more of the applicant business, each general partner or managing member and, for any owner who has more than a 50% ownership in an affiliate business. (Affiliates include business parent, subsidiaries, and/or businesses with common ownership or management).
- Complete copies, including all schedules, of the most recent Federal income tax returns for the applicant business; an explanation if not available.
- Personal Financial Statement (SBA Form 413) completed, signed and dated by the applicant (if a sole proprietorship), each principal owning 20% or more of the applicant business, each general partner or managing member.
- Schedule of Liabilities listing all fixed debts (SBA Form 2202 may be used).

ADDITIONAL INFORMATION THAT MAY BE NECESSARY TO PROCESS YOUR APPLICATION:

- Complete copies, including all schedules, of the most recent Federal income tax returns for each principal owning 20% or more of the applicant business, each general partner or managing member, and each affiliate when any owner has more than a 50% ownership in the affiliate business. Affiliates include, but are not limited to, business parents, subsidiaries, and/or other businesses with common ownership or management.
- If the most recent Federal income tax return has not been filed, a year-end profit and loss statement and balance sheet for that tax year is acceptable.
- A current year-to-date profit and loss statement.
- Additional Filing Requirements (SBA Form 1368) providing monthly sales figures.

APPLY FOR ASSISTANCE AT

disasterloan.sba.gov/ela

Or Call

1-800-659-2955 (SBA Customer Service Center)

1-800-877-8339 (TTY: Deaf and Hard-of-Hearing)

If you need assistance, please contact the SBDC at 1(800)616-7232

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ECONOMIC INJURY DISASTER LOAN

If you have suffered substantial economic injury and are one of the following types of businesses located in a declared disaster area, you may be eligible for an SBA Economic Injury Disaster Loan (EIDL):

- Small Business
- Small agricultural cooperative
- Most private nonprofit organizations

LOAN AMOUNT AND USE

Substantial economic injury means the business is unable to meet its obligations and to pay its ordinary and necessary operating expenses. EIDLs provide the necessary working capital to help small businesses survive until normal operations resume after a disaster.

The SBA can provide up to $2 million to help meet financial obligations and operating expenses that could have been met had the disaster not occurred. Your loan amount will be based on your actual economic injury and your company's financial needs, regardless of whether the business suffered any property damage.

ELIGIBILITY AND TERMS

The interest rate on EIDLs will not exceed 4 percent per year. The term of these loans will not exceed 30 years. The repayment term will be determined by your ability to repay the loan.

EIDL assistance is available only to small businesses when SBA determines they are unable to obtain credit elsewhere. A business may qualify for both an EIDL and a physical disaster loan. The maximum combined loan amount is $2 million.

HOW TO APPLY

STEP 1: You can apply online for an SBA disaster assistance loan.

STEP 2: You must submit the completed loan application and a signed and dated IRS Form 4506-T giving permission for the IRS to provide SBA your tax return information.

STEP 3: For additional information, please contact the SBA disaster assistance customer service center. Call 1-800-659-2955 (TTY: 1-800-877-8339) or e-mail *disastercustomerservice@sba.gov.*

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SMALL BUSINESS DOCUMENTS REQUIRED FOR SBA DISASTER LOAN

Documents

- Copy of Credit Bureau Report with Credit Scores from the three primary reporting agencies for all owners of the business with minimum 20% ownership.
- Personal Financial Statement (SBA Form 413) for all owners of the business with minimum 20% ownership interest.
- Federal Personal and business tax returns for the last 3 years (include personal tax returns for each owner with minimum 20% ownership interest in the business).
- Business Financial Statements for year to date (both income statements and balance sheet is Preferred). Schedule of all business assets and liabilities.
- Provide monthly sales figures beginning 3 years prior to the disaster and continuing through the most recent month available. (SBA Form 1368).
- Written explanation of the amount you are seeking and how it will be used. Describe the loss.
- SBA Loan Application (SBA Form 5).
- IRS Form 8821 / 4506-T for each owner with minimum 20% ownership interest in the business.

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EDD FOR BUSINESS OWNERS

What can I do if my business has slowed due to COVID-19?

If COVID-19 has impacted your business or services, you can avoid potential layoffs by participating in the Unemployment Insurance (UI) Work Sharing Program. This program allows you to retain your workers by reducing their hours and wages no more than 60 percent and partially offsetting the wage loss with UI benefits. This helps you avoid the cost of recruiting, hiring, and training new workers and helps your workers keep their jobs and receive some financial support with UI benefits. You and your workers can also be prepared to quickly adjust when business improves.

What if I have to let go of some of my workers temporarily until business improves?

Your workers can file for unemployment benefits as long as they are unemployed and otherwise eligible. Workers who expect to return to work for you within a few weeks are not required to actively seek work each week as long as they are able and available to return to work during their unemployment and meet all other eligibility criteria. The EDD will explain the requirements to your workers when they apply for benefits.

What can I do if I have to shut down my business permanently?

If you are facing potential layoffs or plant closures, you can get help through the Rapid Response program. Rapid Response teams will meet with you to discuss your needs, help avoid layoffs where possible, and support your workers through the process. Services can include upgrades to current worker skills, customized training, career counseling, job search assistance, help with filing unemployment insurance claims, and information about education and training opportunities. For more information, refer to Rapid Response Services for Businesses Fact Sheet (DE 87144RRB) (PDF). You can also contact your local America's Job Center of California for more information about available Rapid Response services.

What if I can't file or pay my payroll taxes on time because of COVID-19?

With the Governor's emergency declaration, if your business is directly affected by COVID-19, you can request up to a 60-day extension to file your state payroll reports and deposit state payroll taxes without penalty or interest. The written request for extension, noting the impact of COVID-19, must be received within 60 days from the original delinquent date of the payment or return. For the address to send the request, along with other information, please see the State of Emergency or Disaster Fact Sheet (DE 231SED) (PDF).

You can also call the EDD Taxpayer Assistance Center with any questions you may have about your payroll tax responsibilities.

- Toll-free from the U.S. or Canada: 1-888-745-3886
- Hearing impaired (TTY): 1-800-547-9565
- Outside the U.S. or Canada: 1-916-464-3502

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EDD FOR BUSINESS OWNERS

What can I do to protect my workers from COVID-19?

The Centers for Disease Control and Prevention Guidance for Business and Employers includes basic precautions like proper handwashing and cleaning, as well as making sure your sick leave policies are flexible and consistent with public health guidance. Visit Cal/OSHA Guidance on Coronavirus to learn more about workplace requirements.

State Postpones Tax Deadline

- More time to file, pay for California taxpayers affected by the COVID-19 pandemic. Read More

More Resources

- At California's Small Business Finance Center, small businesses can access a range of financial products, including loan guarantees and direct loans: www.ibank.ca.gov/small-business-finance-center

- California maintains two credit enhancement programs to help small business obtain loans from traditional and nontraditional lenders, including the Small Business Loan Guarantee Program and a Small Business Loss Reserve Program.

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EDD FOR BUSINESS OWNERS

Program	Why	What	Benefits	More Information	How to File
Disability Insurance	If you're unable to work due to medical quarantine or illness related to COVID-19 (certified by a medical professional)	Short-term benefit payments to eligible workers who have a full or partial loss of wages due to a non-work-related illness, injury, or pregnancy.	Approximately 60-70 percent of wages (depending on income); ranges from $50-$1,300 a week for up to 52 weeks.	Learn more about your eligibility for Disability Insurance	File a Disability Insurance claim
Paid Family Leave	If you're unable to work because you are **caring for** an ill or quarantined family member with COVID-19 (certified by a medical professional)	Up to six weeks of benefit payments to eligible workers who have a full or partial loss of wages because they need time off work to care for a seriously ill family member.	Approximately 60-70 percent of wages (depending on income); ranges from $50-$1,300 a week for up to 6 weeks.	Learn more about your eligibility for Paid Family Leave	File a Paid Family Leave claim
Unemployment Insurance	If you have lost your job or have had your hours reduced for reasons related to COVID-19.	Partial wage replacement benefit payments to workers who lose their job or have their hours reduced, through no fault of their own.	Range from $40-$450 per week for up to 26 weeks.	Learn more about your eligibility for Unemployment Insurance	File an Unemployment Insurance claim
Paid Sick Leave	If you or a family member are sick or for preventative care when civil authorities recommend quarantine	The leave you have accumulated or your employer has provided to you under the Paid Sick Leave law.	Paid to you at your regular rate of pay or an average based on the past 90 days.	Learn more about your eligibility for Paid Sick Leave	If accrued sick leave is denied, file a Wage claim
Workers' Compensation	If you are unable to do your usual job because you were exposed to and contracted COVID-19 during the regular course of your work, you may be eligible for workers' compensation benefits.	Benefits include temporary disability (TD) payments, which begin when your doctor says you can't do your usual work for more than three days or you are hospitalized overnight. You may be entitled to TD for up to 104 weeks. TD stops when either you return to work, your doctor releases you for work, or your doctor says your illness has improved as much as it's going to.	TD generally pays two-thirds of the gross wages you lose while you are recovering from a work-related illness or injury, up to maximum weekly amount set by law. In addition, eligible employees are entitled to medical treatment and additional payments if a doctor determines you suffered a permanent disability because of the illness.	Learn more about your eligibility for Workers' Compensation benefits	File a Workers' Compensation claim

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EDD FOR BUSINESS EMPLOYEES

Information that is supporting both employers and employees through the state of California (EDD):

What benefits are available if I'm sick and can't work?

If you're unable to work due to having or being exposed to COVID-19 and if you have the necessary supporting medical documentation (see question #2), you are encouraged to file a Disability Insurance (DI) claim. DI provides short-term benefit payments to eligible workers who have a full or partial loss of wages due to a non-work-related illness, injury, or pregnancy. Most California workers are covered by DI through deductions from their paychecks (noted as "CASDI" on most paystubs). The Governor's Executive Order waives the one-week unpaid waiting period, so you can collect DI benefits for the first week you are out of work. If you are eligible, the EDD processes and issues payments within a few weeks of receiving a claim.

What kind of medical documentation is required to support a claim for Disability Insurance benefits?

To be eligible for Disability Insurance (DI) benefits, you must submit certain medical documentation. This requirement can be met by a medical certification signed by a treating physician or a practitioner that includes a diagnosis and ICD-10 code, or if no diagnosis has been obtained, a statement of symptoms; the start date of the condition; its probable duration; and the treating physician's or practitioner's license number or facility information. This requirement can also be met by a written order from a state or local health officer that is specific to you. For fastest processing of your claim, submit your claim online and have your supporting medical documentation submitted online immediately after.

You may also request that the EDD send you a Claim for Disability Insurance (DI) Benefits (DE 2501) (PDF) form, which can be ordered online and sent to you. Submit the completed form to the EDD using the envelope provided. If your medical documentation is provided in any other form other than EDD's designated claim form, it should be submitted separately by mail to: Employment Development Department

How much can I earn in disability benefits?

Benefit amounts are approximately 60-70 percent of wages (depending on income) and range from \$50-\$1,300 a week. The EDD provides a Disability Insurance Calculator to estimate your potential benefit amount. Disability benefits are paid through the date your doctor certifies or when you exhaust your available benefits, whichever comes first within a 52-week period.

The Governor's Executive Order waives the one-week unpaid waiting period, so you can collect DI benefits for the first week you are out of work. If you are eligible, the EDD processes and issues payments within a few weeks of receiving a claim.

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EDD FOR BUSINESS EMPLOYEES

Can I qualify for disability benefits if I'm quarantined?

Yes, if your quarantine is certified by a medical professional or a state or local health officer. If you are not found eligible for DI, you are encouraged to apply for an Unemployment Insurance (UI) claim. See question #9.

Are there are benefits available to me if I'm sick and I'm self-employed or otherwise not covered by the State Disability Insurance (SDI) program?

You may be eligible for benefits if you pay into Disability Insurance Elective Coverage (DIEC). DIEC is an option for self-employed individuals (such as independent contractors) and employers to apply for coverage under SDI. That includes school district and state employees who are exempt from SDI, but can negotiate to participate in the DIEC. For more information, see the Information Sheet: Elective Coverage for Employers and Self-Employed Individuals (DE 231EC) (PDF).

In addition, California law allows your employer to offer you a Voluntary Plan (VP) Disability Insurance (DI) option instead of the SDI program. You should check with your employer's personnel or benefits office about filing a DI claim under this program.

What benefits are available if a family member is sick and I have to miss work to care for that person?

If you're unable to work because you are caring for an ill or quarantined family member with COVID-19, you are encouraged to file a Paid Family Leave (PFL) claim. PFL provides up to six weeks, this extends to eight weeks starting July 1, 2020, of benefit payments to eligible workers who have a full or partial loss of wages because they need time off work to care for a seriously ill family member or to bond with a new child. For the purposes of PFL coverage, a family member is defined as seriously ill child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, or registered domestic partner.

How much can I earn in Paid Family Leave benefits?

Benefit amounts are approximately 60-70 percent of wages (depending on income) and range from $50-$1,300 a week. You can use the Paid Family Leave Calculator to help estimate your potential benefit amount.
If you are eligible, the EDD processes and issues payments within a few weeks of receiving a claim.

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EDD FOR BUSINESS EMPLOYEES

What kind of medical documentation is required to support a claim for PFL benefits?

To be eligible for PFL benefits, you must submit certain medical documentation regarding the family member in your care who is either ill or quarantined due to COVID-19. This requirement can be met by a medical certification for that person from a treating physician or a practitioner that includes a diagnosis and ICD-10 code, or if no diagnosis has been obtained, a statement of symptoms; the start date of the condition; its probable duration; and the treating physician's or practitioner's license number or facility information. This requirement can also be met by a written order from a state or local health officer that is specific to your family member's situation. Absent those documents from a physician or health officer, you may be eligible for an Unemployment Insurance (UI) claim instead. See question #9. For fastest processing of your claim, submit your claim online and have the supporting medical documentation submitted online immediately after.

You may also request that the EDD send you a Claim for Paid Family Leave (PFL) Benefits (DE 2501F) (PDF) form, which can be ordered online and sent to you. Submit the completed form to the EDD using the envelope provided. If your medical documentation is provided in any other form other than the EDD's designated claim form, it should be submitted separately by mail to: Employment Development Department PO Box 45011, Fresno, CA 93718-5011

What benefits are available if I am subject to quarantine, am not ill, and am not found eligible for a Disability Insurance claim?

You are encouraged to apply for Unemployment Insurance (UI) benefits if you are unemployed, which includes reasons such as:

- Your hours are reduced due to the quarantine.
- You were separated from your employer during the quarantine.
- You are subject to a quarantine required by a medical professional or state or local health officer.

You can be eligible for benefits if you have enough earnings over the past 12-18 months and meet other eligibility criteria. The Governor's Executive Order waives the one-week unpaid waiting period, so you can collect UI benefits for the first week you are out of work. If you are eligible, the EDD processes and issues payments within a few weeks of receiving a claim.
EDD representatives may need to set up a phone interview with you to collect more details.

- If you are temporarily out of work and plan to return to the same employer, you do not need to meet the usual requirement of looking for work while you are collecting unemployment benefits. The EDD will inform you if you are not required to look for work each week.

- If you are not connected to a certain employer with a job to return to, you are required to look for work while collecting benefits. Looking for work can be done from home including using online channels, mailing job applications, calling about job openings, registering in CalJOBSSM (the state's online labor exchange system), etc. The EDD will inform you if you are required to look for work each week.

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EDD FOR BUSINESS EMPLOYEES

Would I qualify for benefits if I choose to stay home from work due to underlying health conditions and concerns about exposure to the virus?

You could be eligible for unemployment benefits. Our EDD representatives will seek details from you to determine eligibility based on the reason you are unemployed and the reason for restricting your availability to work. You may be required to actively seek work each week to show that you are still making yourself available for work. The work search could include looking for work through online channels, mailing job applications, calling about job openings, registering in CalJOBSSM (the state's online job exchange system), etc.

Would I qualify for benefits if my child's school shuts down and I have to miss work to care for that child who is not ill?

You may be eligible for unemployment benefits. Our EDD representatives will determine eligibility on a case-by-case basis by scheduling a phone interview with you. For example, you may be eligible for unemployment benefits if your employer has temporarily allowed you to work less than full-time hours due to your child care situation. In such case, you may be eligible for reduced benefits based on the amount of your weekly earnings, as long as you meet all other eligibility requirements. The EDD will contact you and your employer for information to determine your eligibility.

Can I collect benefits if my child's school shuts down and I have to stay home to care for my child if I'm not currently employed or I had to quit work because of my child care needs?

You may be eligible for unemployment benefits. Our EDD representatives will determine eligibility on a case-by-case basis by scheduling a phone interview with you.

Are benefits available if my employer reduces my hours or shuts down operations due to impacts of the coronavirus?

If your employer reduced your hours or shut down operations due to COVID-19, you are encouraged to file an Unemployment Insurance (UI) claim. UI provides partial wage replacement benefit payments to workers who lose their job or have their hours reduced, through no fault of their own. Workers who are temporarily unemployed due to COVID-19 and expected to return to work with their employer within a few weeks are not required to actively seek work each week. However, they must remain able, available, and ready to work during their unemployment for each week of benefits claimed and meet all other eligibility criteria.

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EDD FOR BUSINESS EMPLOYEES

How much can I collect in benefits with an Unemployment Insurance (UI) claim?

Eligible individuals can receive benefits that range from $40-$450 per week. Depending on your maximum award for your UI claim and your weekly benefit amounts paid, the number of weeks you can potentially receive benefit payments ranges from 13 to 26 weeks if you are paid at your full weekly benefit amount for each of those weeks. Your payments could stretch to a longer duration if you perform some work for pay or if you receive other deductible income during the course of a claim, and you receive reduced unemployment benefits as a result during those weeks.
You can use the Unemployment Insurance Calculator to help estimate your potential weekly benefit amount.

The Governor's Executive Order waives the one-week unpaid waiting period, so you can collect UI benefits for the first week you are out of work. If you are eligible, the EDD processes and issues payments within a few weeks of receiving a claim.

Can I still collect unemployment benefits if I am able to work remotely from home?

Working your full normal hours remotely would not qualify you for benefits. However, you could collect some Unemployment Insurance benefits if your usual number of work hours are reduced through no fault of your own. The first $25 or 25 percent of your wages, whichever is the greater amount, is not counted as wages earned and will not be reduced from your UI weekly benefit amount. For example, if you earned $100 in a week, the Department would not count $25 as wages and would only deduct $75 from your weekly benefit amount. For someone who has a weekly benefit amount of $450, they would be paid a reduced amount of $375.

Can I collect disability and unemployment benefits at the same time?

You have the right to apply and file a claim for unemployment and disability benefits at the same time, but you can only collect payments under one benefit program at a time. You're encouraged to file a claim under one program based on your circumstances or file under both programs if you are unsure of which program is most appropriate. The EDD will review the facts and determine your eligibility for the appropriate program.

Can I start collecting disability benefits and then transition to an unemployment claim if my workplace operations continues to be impacted with a slowdown or shutdown?

Yes. If your employer shuts down operations or reduces hours for workers while you are on your disability claim, you may apply for unemployment benefits at that time. The EDD will help determine the start of your Unemployment Insurance claim as long as you meet all other eligibility requirements.

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EDD FOR BUSINESS EMPLOYEES

Can I start collecting unemployment benefits because I am laid off or have had my work hours reduced, and then switch to a disability claim if I become sick?

Yes. If you become sick while you are out of work, you can apply for a disability claim, which can provide a higher benefit amount if you're eligible. A medical certification is required to substantiate your illness. If you are approved for a Disability Insurance claim, your Unemployment Insurance (UI) claim will be suspended. If you recover but remain unemployed, you may then return to the remainder of your UI claim benefits as long as you remain out of work and are otherwise eligible. You will need to reapply to reopen your UI claim.

Can I start collecting unemployment benefits because I am laid off or have had my work hours reduced, and then switch to a Paid Family Leave claim if I have to care for a family member who is sick?

Yes. If you have a family member who becomes sick while you are out of work, you can apply for a Paid Family Leave claim which can provide a higher benefit amount if you're eligible. A medical certification is required to substantiate your family member's illness. If you are approved for a Paid Family Leave claim, your Unemployment Insurance (UI) claim will be suspended. If you complete your Paid Family Leave claim and remain unemployed, you may then return to the remainder of your UI claim benefits as long as you remain out of work and otherwise eligible. You will need to reapply to reopen your UI claim.

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UNDERSTANDING BUSINESS INTERRUPTION INSURANCE

Almost all businesses carry insurance and for many, business interruption insurance exists within their policy. The detailed information below will outline the basic premise of business interruption insurance and what could generally be considered a claim. You should check with your insurance provider to understand your coverage and what, if any claims you may have.

WHAT IS BUSINESS INTERRUPTION INSURANCE?

Business interruption insurance is insurance coverage that replaces business income lost in a disaster. The event could be, for example, a fire or a natural disaster. Business interruption insurance is not sold as a separate policy but is either added to a property/casualty policy or included in a comprehensive package policy as an add-on or rider.

- Business interruption insurance is not sold as a separate policy but is an add-on to an existing insurance policy.

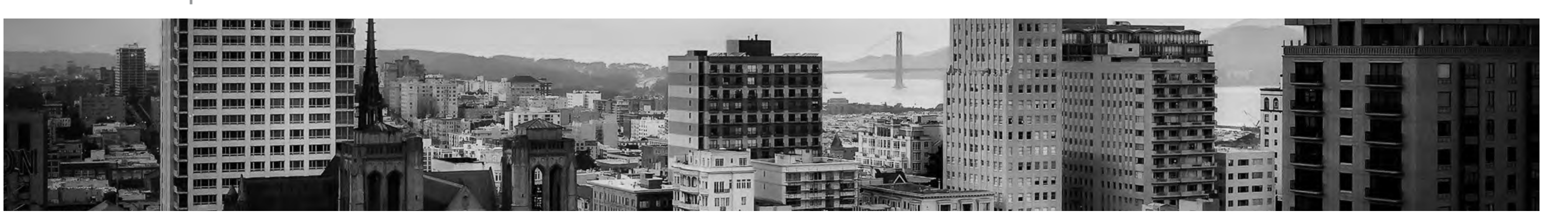
UNDERSTANDING BUSINESS INTERRUPTION INSURANCE

Business interruption insurance premiums (or at least the additional cost of the rider) are tax-deductible as ordinary business expenses. This type of policy pays out only if the cause of the business income loss is covered in the underlying property/casualty policy. The amount payable is usually based on the past financial records of the business.

Business interruption insurance coverage lasts until the end of the business interruption period, as determined by the insurance policy. Most business interruption insurance policies define this period as the date that the covered peril began until the date that the damaged property is physically repaired and returned to the same condition that existed prior to the disaster.

KEY TAKEAWAYS

- Business interruption insurance is insurance coverage that replaces income lost in the event that business is halted for some reason, such as a natural disaster.
- This type of insurance also covers operating expenses, a move to a temporary location if necessary, payroll, taxes, and loan payments.
- Business interruption insurance also applies if government actions cause operations to cease temporarily, which results in a loss for a firm.



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California Governor's Office of Business and Economic Development

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WHAT BUSINESS INTERRUPTION INSURANCE COVERS

Most business insurance cover the following items:

- Profits. Based on prior months' performance, a policy will provide reimbursement for profits that would have been earned had the event not occurred.
- Fixed costs. These can include operating expenses and other incurred costs of doing business.
- Temporary location. Some policies cover the costs involved with moving to and operating from a temporary business location.
- Commission and training cost. In the wake of a business interruption event, a company will often need to replace machinery and retrain personnel on how to use the new machinery. Business interruption insurance may cover these costs.
- Extra expenses. Business interruption insurance will provide reimbursement for reasonable expenses (beyond the fixed costs) that allow the business to continue operating while the business gets back on solid footing.
- Civil authority ingress/egress. A business interruption event may result in government-mandated closure of business premises that directly cause financial loss. Examples include forced closures because of government-issued curfews or street closures related to a covered event.
- Employee wages. Coverage of wages is essential if a business does not want to lose employees while shutting down. This coverage can help a business owner make payroll when they cannot operate.
- Taxes. Businesses are still required to pay taxes, even when disaster hits. Tax coverage will ensure a business can pay taxes on time and avoid penalties.
- Loan payments. Loan payments are often due monthly. Business Interruption coverage can help a business make those payments even when they are not generating income.

SPECIAL CONSIDERATIONS FOR BUSINESS INTERRUPTION INSURANCE

Note that the insurer is only obligated to pay if the insured actually sustained a loss as a result of the interruption. The amount that will be recouped by the business will not exceed the limit stated in the policy.

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