

April 8, 2022

MEMORANDUM

To: Public Safety and Human Services Committee
From: Amy Gore, Analyst
Subject: Council Bill 120294 – App-Based Worker Minimum Payment Standards

On April 12, 2022, the Public Safety and Human Services Committee (Committee) will discuss [Council Bill \(CB\) 120294](#) which would establish minimum payment requirements and related protections for app-based workers. This memo provides background and an overview of the proposed legislation, identification of policy considerations for the Committee, and next steps.

Background

A study by Mastercard estimates that the “gig economy” is growing at approximately 17.4% each year¹ and growing numbers of people are participating in app-based work. A 2021 Pew Research Center study found that 16 percent of American adults have earned money from app-based work and these rates are higher for those who are Hispanic (30 percent), Black (20 percent), and Asian (19 percent).² While most workers (68 percent) reported that app-based gig work was a side job, 31 percent report that app-based gig work was their main job during the past year.³

Network companies rely on business models that treat app-based workers as independent contractors who are not classified as employees and therefore are not covered by labor standards established by federal, state and local laws. This means app-based workers may not earn minimum wage, particularly after covering expenses, lack employee protections against harassment or discrimination, and do not have access to typical employee benefits like healthcare and retirement savings. Previously, Council has passed legislation to establish labor standards for workers regardless of their employment status, including the Domestic Workers Ordinance ([ORD 125627](#)), Driver Deactivation Rights ([ORD 125976](#)) and Minimum Compensation for Transportation Network Company (TNC) workers ([ORD 125977](#)), and the Independent Contractor Protections Ordinance ([ORD 126373](#)).

To address the issues raised by the network companies’ practices, stakeholders have requested that the Council consider a suite of proposals intended to establish labor standards for app-based workers, including:

¹ Mastercard and Kaiser Associates, May 2019, “[The Global Gig Economy: Capitalizing on a \\$500B Opportunity](#)”. Accessed online at <https://newsroom.mastercard.com/wp-content/uploads/2019/05/Gig-Economy-White-Paper-May-2019.pdf> on March 24, 2022.

² Pew Research Center, December 2021, “[The State of Gig Work in 2021](#)”. Accessed online at https://www.pewresearch.org/internet/wp-content/uploads/sites/9/2021/12/PI_2021.12.08_Gig-Work_FINAL.pdf on March 23, 2022.

³ Ibid.

1. establishing a minimum payment standard;
2. establishing transparency requirements related to offers, receipts, and record keeping;
3. providing workers with more control over their work availability;
4. establishing regulations related to deactivations and appeals;
5. establishing regulations related to background checks for app-based workers;
6. providing access to restrooms for app-based workers;
7. establishing protections against discrimination; and
8. establishing an App-based Workers Advisory Board.

Stakeholder meetings began in July 2021 and are ongoing as these proposals continue to be developed.

CB 120294 Overview

CB 120294 is the first piece of legislation in the series and would cover the first three proposals listed above by doing the following:

1. establishing a minimum payment standard for app-based workers which meets local minimum wage requirements as well as reasonable expenses paid for by app-based workers;
2. creating transparency requirements related to app-based offers prior to acceptance by workers, receipts to workers and customers, and company records; and
3. providing flexibility for app-based workers to determine their availability to work and which offers to accept, reject, or cancel with cause without adverse actions for network companies.

This proposal was discussed by the Committee on [July 13, 2021](#), [September 14, 2021](#), and [February 8, 2022](#). For a summary of significant policy changes between the draft discussed on February 8 and the introduced version, see Appendix 1.

Coverage and Definitions

The legislation would cover app-based workers and network companies as described below:

- Workers accepting offers to perform services for pay via a network company's worker platform. The legislation would not cover workers accepting offers for sale/rental of goods or real estate, licensed professional services, creative work, wholly digital services, or transportation provided by TNCs, taxis, or for-hire vehicles.
- Network companies that use online-enabled applications or platforms to connect customers with workers, present offers to workers, and/or facilitate the provision of

services by workers. A network company with 250 or more app-based workers worldwide would be covered by the legislation. The legislation would not cover:

1. an entity offering services that enable individuals to schedule appointments with and/or process payments to users when the entity does not engage in additional intermediation of the relationships between customers and workers, nor engages in any oversight of services provided by workers;
2. an entity operating digital advertising and/or messaging platforms, when the entity neither engages in intermediation of the payments or relationships between parties to resulting transactions nor engages in any oversight of service provision; or
3. a transportation network company or taxicab association.

The legislation would also define two types of network companies for specific regulations:

- On-demand network companies are primarily engaged in facilitating or presenting on-offers to app-based workers. On-demand offers require that performance be initiated within two hours of acceptance. On-demand network companies include, but are not limited to, companies primarily facilitating offers to app-based workers for delivery services from one or more of the following: (a) eating and drinking establishments, (b) food processing establishments, (c) grocery stores, or (d) any facility supplying groceries or prepared food and beverages for an online order. This would include companies like Instacart, DoorDash, or GrubHub.
- Marketplace network companies are (a) exclusively engaged in facilitating pre-scheduled offers in which the prospective customer and worker exchange information regarding the scope and details of services to be performed prior to the customer placing the online order for those services and (b) exclusively facilitates services performed without the network company monitoring offers by geographic location, mileage or time. The definition specifically excludes on-demand network companies and companies that primarily provide delivery services. This would include companies like TaskRabbit and Rover.

A company that meets the definition of a network company but is neither an on-demand network company nor a marketplace network company is still covered by the legislation.

Minimum Network Company Payment

The legislation would require that network companies pay, or ensure that app-based workers are paid, a minimum network company payment, plus all tips and gratuities.

Calculation – The minimum network company payment is intended to provide minimum pay that factors in the minimum wage plus reasonable expenses (e.g., travel, administrative duties, etc.) that are covered by the worker. See Appendix 2 for a detailed description of the minimum payment methodology. It is calculated as follows:

$$\begin{aligned} & (\text{Engaged Time} \times \text{Per-Minute Amount}) + (\text{Engaged Miles} \times \text{Per-Mile Amount}) \\ & = \text{Minimum Network Company Payment} \end{aligned}$$

1. Engaged Time – For most network companies, engaged time is the period of time in which an app-based worker performs services or participates in training required by a network company. It begins when the worker starts performance of an offer and ends when performance is complete, or when an offer is cancelled by the network company or customer, or when cancelled with cause by the app-based worker. There are two exceptions to this definition:
 - For on-demand network companies, or on-demand offers when performance is expected to be initiated within two hours, engaged time begins at the time of offer acceptance, not at the beginning of performance.
 - For marketplace companies, engaged time for an offer is estimated by the company or customer and the app-based worker prior to offer acceptance.
2. Per-minute Amount – The per-minute amount consists of three components:
 - Minimum Wage Equivalent – pays workers a per-minute equivalent to Seattle’s hourly minimum wage for Schedule 1 employers. In 2022, the minimum wage is \$17.27 per hour, or equivalent to \$0.288 per minute.
 - Associated Cost Factor – pays workers for non-mileage expenses that are necessary to perform app-based work, such as employer-side payroll taxes, workers compensation insurance, paid family and medical leave insurance, business taxes and licensing. The associated cost factor is 1.13. (For more detail on Associated Cost Factor, see Appendix 2.)
 - Associated Time Factor – pays workers for unpaid time that is necessary to perform app-based work, such as time to review offers, communicating with customers, or to relocate to locations before accepting a new offer. The associated time factor is 1.21. (For more detail on Associated Time Factor, see Appendix 2.)

The total per-minute amount in 2022 is \$0.39.

3. Engaged Miles – For most network companies, engaged miles includes miles traveled during engaged time in a vehicle that the network company does not own or maintain (or is leased by the network company to the app-based worker). There is one exception to this definition:

- Engaged miles do not include any miles that are traveled as part of an offer facilitated by a marketplace network company.

4. Per-Mile Amount – The per-mile amount consists of two components:

- Standard Mileage Rate – The standard mileage rate is the Internal Revenue Service rate of reimbursement for operating an automobile. In 2022, the standard mileage rate is \$0.585 per mile.
- Associated Mileage Factor – The associated mileage factor pays workers for miles travelled that are not included in payment for a specific offer, but are necessary to perform app-based work, such as miles travelled to locations for rest breaks or to relocate to locations before accepting a new offer. The associated mileage factor is 1.25. (For more detail on Associated Mileage Factor, see Appendix 2.)

The total per-mile amount in 2022 is \$0.73.

Minimum Per Offer Amount – For each offer resulting in engaged time or miles, a network company would have to compensate app-based workers a minimum of \$5.00. The Office of Labor Standards (OLS) Director may issue rules excluding some offers from the minimum per offer amount, such as on-demand offers which are cancelled by the customer within a grace period of not more than five minutes after acceptance. The minimum per offer amount will be increased based on the rate of inflation each year beginning in 2024.

Adjustments – After three years, OLS would be able to make adjustments to the minimum wage equivalent rate, associated cost factor, associated time factor, standard mileage rate, or associated mileage factor based on relevant and available sources of data. OLS would determine the per-minute and per-mile amount and file a schedule with the City Clerk annually.

Cancellation of Marketplace Network Company Offers – The OLS Director would be required to issue rules to establish a minimum network payment for offers from marketplace network companies that are not completed. Because the minimum network payment for these offers is based on an estimated engaged time negotiated prior to the offer, without rulemaking the total minimum payment would be due regardless of if the offer was completed or not.

“Stacking” – If an app-based worker is performing an offer and accepts a new offer facilitated by the same network company, any overlapping engaged time and miles would be subject to minimum compensation requirements of a single offer.

Tips and Incentives – A network company would be required to pay all tips and incentives to app-based workers and tips may not count towards:

- minimum network company payment;
- guaranteed minimum amount for an offer; or
- any other incentives or compensation.

Transparency

The objective of the transparency requirements is to provide app-based workers, customers, and OLS clear and timely information related to app-based work offers and payments. Currently, workers receive minimal information about the offers they accept, resulting in difficulty determining which offers to accept or reject, and may not receive clear information about their wages, tips, or other pay. For a full list of transparency requirements, see Appendix 3.

Flexibility

The objective of the flexibility requirements is to provide app-based workers the ability to choose their availability and cancel offers under certain conditions without being penalized by the network company.

Availability – App-based workers would have the right to decide when to be available for work and which offers to accept or reject. App based workers can log into the platform at any date, time, or amount of time unless they have been deactivated as defined by rules or other laws, or due to limitations on maximum amount of consecutive work to protect worker and public safety.

Cancellation with Cause – App-based workers would be able to cancel their acceptance of an offer with cause if (1) the offer was substantially inaccurate; (2) the offer cannot be completed because customer is not present or fails to communicate; (3) an unforeseen obstacle or occurrence; or (4) due to sexual harassment or discrimination during performance of the offer.

Adverse Actions – The company would be prohibited from responding to any of the above with adverse actions, including limiting hours of availability, reducing compensation; garnishing tips or gratuities; temporarily or permanently denying or limiting access to work, incentives, or bonuses; offering less desirable work; terminating; deactivating; threatening; penalizing; retaliating; engaging in unfair immigration-related practices; or filing a false report with a government agency.

Notice of Rights

Network companies would be required to provide each app-based worker with a written notice of rights established by the Minimum Network Payment legislation, regardless of whether OLS has created and distributed a model notice of rights. The notice of rights must be included in English and any language that the network company knows or has reason to know is the

primary language of the worker. The Director may issue additional rules regarding the notice of rights, including distribution and translation.

Role of OLS

In addition to the specific roles described above, OLS would be authorized to implement and enforce these regulations, including, but not limited to (1) promulgating rules related to the administration, evaluation and enforcement of Chapter 8.37; (2) investigating violations of the chapter (both complaint-based and directed); (3) determining if violations have occurred; and (4) assessing remedies such penalties, fines, and interests due to violations of these regulations.

Effective Date

The legislation would take effect 30 days after signing; however, the provisions of Chapter 8.37, including requirements for minimum payment, transparency and flexibility, would take effect 12 months after the effective date of the ordinance, to allow for rulemaking and changes required by network companies to operationalize the requirements.

Policy Considerations

1. Impacts on Workers, Customers, and Businesses

This legislation is intended to increase pay and improve working conditions for app-based workers.

The establishment of the minimum network company payment will likely result in changes to the costs, demand, and supply of network company services; however, the scale of those impacts are unknown and there may be unintended consequences of this legislation. Due to the new nature of the app-based industry; the limited, recent establishment of regulations of the industry; and the COVID-19 pandemic, there is inadequate, conflicting data on impacts of regulations. Some potential impacts could include:

- Network companies choosing not to offer their services in Seattle due to the new regulations;
- An increase in the cost of market network services which the network companies could choose to pass on to customers and partner businesses;
- A decrease in customer demand for network company services due to cost increases which would result in a decrease in revenues to partner businesses and fewer offers for workers. This could be particularly significant to small business owners, business owners with limited English, and BIPOC-owned business who may rely on third-party delivery to increase sales rather than establishing and managing their own delivery services; and/or
- An increase in the number of people who want to do app-based work due to higher pay and improved flexibility and transparency, therefore increasing competition for offers

for workers. Given the disproportionate representation of Hispanic and Black workers in this industry, this impact could be disproportionately harmful to these workers.

Options:

- a. Enact the legislation as proposed, and, in addition, fund a study to monitor the impacts of the regulations with the intention of modifying regulations based on the study findings;
- b. Delay enacting legislation in order to fund a study to examine and model the potential impacts to inform regulations; or
- c. No change.

2. Coverage

The legislation creates broad definitions of network companies, app-based workers and offers with the expectation that these definitions will be refined and clarified through the rulemaking process. This provides time for in-depth discussions with stakeholders about business models, operational approaches, and technical limitations however, some stakeholders have expressed interest in adding more specificity to the legislation to clarify what companies, workers, and offers are covered, specifically as it relates to:

- Offers that are accepted by a company and performed by an employee of that company, or offers that are accepted and performed by a worker as part of their employment; and
- Network companies that have a limited role in the presentation and facilitation of offers, or in the intermediation of the relationship between customers and workers.

Options:

- a. Amend the legislation to clarify that offers performed by workers covered by an employee relationship while they are performing the offer are excluded;
- b. Amend the legislation to clarify the definition of covered network companies to provide more detail on concepts such as “facilitate,” “present,” and “intermediation”;
- c. Amend the legislation to provide other clarifying language related to coverage;
- d. Amend the legislation to require additional clarification through rulemaking; or
- e. No change.

3. Regulations of Marketplace Network Companies

Network companies include a range of businesses with diverse operational models. The proposed legislation reflects some of these variations by establishing separate regulations for marketplace network companies. These companies do not track offers by location, time, or miles, but instead facilitate pre-scheduled offers in which the company or customer and the

worker exchange information regarding the scope and details of services, including an estimate of engaged time, prior to the customer placing the online order for those services.

The legislation would create different regulations for these companies, including (1) that engaged miles do not apply to marketplace network companies; (2) a different definition of “engaged time” for marketplace companies which allow for non-concurrent or flexible time ranges within an offer; and (3) allowing the minimum network company to be calculated from the estimated engaged time rather than actual engaged time.

These regulations for marketplace network companies would result in worker standards that could be significantly less rigorous than for other network companies. For example:

- If a company or customer and an app-based worker agree on a two-hour estimate of engaged time for an offer, but the actual engaged time is three hours, there is no mechanism to require the minimum network payment reflect the actual time worked rather than the estimate.
- Conversely, if actual engaged time for an offer is significantly less than the estimated engaged time, the minimum network payment will still be based on the higher engaged time estimate.
- If an app-based worker is required to drive their car to the store or to other locations as part of a marketplace company offer, the legislation does not require that the mileage be reflected in the minimum network payment for the worker.

Additionally, these definitions and regulations may not adequately reflect the operational models of all marketplace network companies, leading to regulations that are difficult or impracticable for some marketplace network companies to fulfill without significant operational changes.

Options:

- a. Amend the legislation with additional regulations for marketplace network companies to strengthen and clarify requirements;
- b. Amend the legislation to exempt all or some marketplace companies or offers from the minimum network payment; or
- c. Amend the legislation to exempt all or some marketplace companies or offers from the minimum network payment; or
- d. No change.

4. Adjustments to Associated Cost Factor, Associated Time Factor, and Associated Mileage Factor

The associated cost factor, associated time factor, and associated mileage factor are all intended to reflect the cost of performing app-based work. Appendix 2 presents the components that were considered in the calculations of the associated factors. The legislation states that the associated cost factor and associated time factors may be adjusted by the OLS Director, but that they may never go below the initial rate set in this legislation. The legislation states that the per-mile amount shall be increased annually to reflect any adjustment(s) to the standard mileage rate or associated mileage factor, but does not expressly give the authority to the Director to adjust the associated mileage factor or provide guidance on the adjustment.

Options:

- a. Amend the legislation to allow associated factors to be decreased by the OLS Director if the needed components change or if the cost of those components decrease significantly;
- b. Amend the legislation to allow the OLS Director to adjust the associated mileage factor;
or
- c. No change.

5. Rulemaking

The legislation authorizes the Director of OLS to promulgate, revise, or rescind rules to administer and enforce the standards required by this legislation. In some cases, rulemaking is required (“shall”) and in some cases rulemaking is discretionary (“may”). Some stakeholders have expressed an interest in establishing more of these policies within the legislation to provide certainty and clarity to covered network companies, or to make discretionary rulemaking required when it is critical that the policy be expanded upon before implementation. However, the ability to address industry changes through rulemaking would allow the City to more easily and rapidly respond to a rapidly changing industry.

Required rulemaking –

- Establish list of services subject to professional licensure which are exempted from online orders covered by the legislation.
- Establish the minimum network payment for marketplace offers that are based on estimated engaged time and are cancelled before completion of the performance of the offer.
- Establish types of information required to be disclosed, the format of provision of the information, and efforts to ascertain the information that would be considered reasonable to meet transparency requirements for information on physical labor

required to perform services, and the establish rules governing the submission of network company records

Discretionary rulemaking –

- Establishing rules on “engaged time” for (a) offers with non-compensable time, such as sleep time or other periods of off-duty time; or (b) offers with periods of time when the worker is not completely relieved of the duty to perform services and cannot use the time effectively for their own purposes.
- Further refining the definition of “online order” and the types of transactions excluded from the definition.
- Excluding certain offers from payment of the minimum per-offer amount, including but not limited to on-demand offers cancelled by the customer within a grace period of not more than five minutes after acceptance.
- Beginning three years after the effective date the legislation, the Director may adjust the associated cost factor annually.
- Beginning three years after the effective date the legislation, the Director may adjust the associated time factor annually.
- Require additional information in the daily receipts to workers, the weekly notice to workers, receipts to customers, or production rules for to the network company data required for network company transparency.
- Issue rules governing the form and content of the notice of rights, the manner of its distribution, and required languages for its translation.
- The Director may issue rules for the complaint procedure or establish other enforcement methods to efficiently resolve violations the legislation.

Options:

- a. Amend the legislation to include specific policies rather than delegating to rulemaking;
- b. Amend the legislation to include more specific guidelines for policies delegated to rulemaking;
- c. Amend the legislation to change whether specific rulemaking is required or discretionary; or
- d. No change.

6. Implementation Costs

OLS estimates that the total cost to implement the App-Based Worker Minimum Payment standards would be \$553,800 for one-time, initial costs and \$1.2 million per year for on-going staffing and other costs. Table 1, below, itemizes the cost estimate provided by OLS.

Table 1. Estimated Implementation Costs

Initial implementation costs	
Rulemaking, inc. language access for stakeholder meetings	\$5,450
Notice of Rights Design and Translation	\$5,300
Outreach & Communications Campaign and Materials	\$50,000
Community Partnerships	\$480,000
New employee set up costs	\$3,050
Software, hardware, and consulting needs	\$10,000
<i>Total Initial implementation costs</i>	<i>\$553,800</i>
On-going staffing	
1 Senior Investigator	\$137,707
1 Enforcement & Data Strategist	\$151,698
1 Policy Analyst	\$151,698
1 Labor Standards Engagement Specialist	\$130,943
1 Admin Specialist 3	\$98,639
<i>Total On-going staffing</i>	<i>\$670,685</i>
On-going Costs, in addition to continued staffing	
Additional translations of the Notice of Rights	\$900
Outreach & Communications efforts, including language access	\$20,000
Community Partnerships	\$480,000
Employee support costs	\$1,875
<i>Total On-going Costs, in addition to continued staffing</i>	<i>\$502,775</i>

OLS reports that they currently do not have the resources to perform this work. Currently, Central Staff is not aware of any General Fund (GF) resources available to support this appropriation absent an offsetting reduction in GF appropriations.

Options:

- a. Increase funding for OLS to perform these responsibilities through separate budget legislation (e.g., Mid-Year Supplemental Budget) for 2022 and during the fall biennium budget process for 2023-24;
- b. Do not allocate additional funding and allow OLS to prioritize work as determined by the Department; or

- c. Delay action on this legislation until sufficient resources are identified for implementation.

Next Steps

The Committee will discuss proposed amendments to the legislation on April 26. Please contact me with any amendment proposals by Friday, April 15.

Attachments:

1. Summary of Significant Policy Changes in Introduced Bill
2. Components of Associated Cost Factor, Associated Time Factor, and Associated Mileage Factor
3. Transparency Requirements

cc: Aly Pennucci, Deputy Director
Yolanda Ho, Lead Analyst

Appendix 1. Summary of Significant Policy Changes

A [draft version](#) of this bill was most recently discussed in Committee of February 8, 2022. The introduced draft includes the following policy changes:

- Adds a definition of marketplace network companies as a subset of network companies which are (1) exclusively engaged in facilitating pre-scheduled offers in which the prospective customer and worker exchange information regarding the scope and details of services to be performed prior to the customer placing the online order for those services and (2) exclusively facilitates services performed without the network company monitoring offers by geographic location, mileage or time. The definition specifically excludes on-demand network companies and companies that primarily provide delivery services. (8.37.020 Definitions)
- Establishes different regulations for marketplace network companies:
 - Edits definition of “engaged miles” to exclude any miles that may be traveled in furtherance of an offer facilitated by a marketplace company. (8.37.020 Definitions)
 - Edits definition of “engaged time” to be different for marketplace companies; rather than beginning and ending based on actual time working, “engaged time” is the reasonable estimate of engaged time required to perform the offer as mutually agreed by the marketplace network company or customer and the app-based worker when the offer is accepted. For marketplace companies, engaged time may be non-consecutive and/or performed flexibly during an agreed upon range of time and is subject to rulemaking regarding offers that are cancelled with cause. (8.37.020 Definitions)
 - Clarifies that for marketplace companies, “perform in Seattle” is determined based on the address where services are to be performed. (8.37.020 Definitions)
 - Authorizes the Director to issue rules about what the minimum network payment should be for offers from marketplace companies that are cancelled before completion of the performance of the offer. (8.37.050 Minimum network company payment)
 - Allows marketplace network companies to fulfill the minimum network payment based on the reasonable estimate of engaged time rather than actual engaged time. (8.37.050 Minimum network company payment)
- Added definition of “unsealed” (8.37.020 Definitions)
- Clarified worker coverage and network company definitions to align with Fare Share Ordinance (i.e., Minimum Compensation for TNC Drivers, SMC 14.33) (8.37.020 Definitions)
- Added requirement for OLS Director to annually file updated “per-minute amount” and “per-mile amount” with City Clerk (8.37.050.B)
- Narrowed requirement for network company to share contents on online orders to only “unsealed” contents of online orders (8.37.070.A.1.g)

- Identified a daily amount of unpaid compensation that the OLS Director can order network companies to pay in the event that OLS cannot determine a precise amount owed to the worker due to the company's failure to provide sufficient records. The daily amount is at least the equivalent of payment for eight hours of work at the "hourly minimum wage" rate for Schedule 1 employers under Chapter 14.19. For example, in 2022 the daily amount would be \$138.16 (\$17.27 per hour x 8 hours) (8.37.170 Remedies)
- Itemized fines for failure to comply with flexibility requirements (8.37.170 Remedies)

Appendix 2. Components of Associated Cost Factor, Associated Time Factor, and Associated Mileage Factor

Associated Cost Factor

Item	Amount	Notes
Payroll tax	7.65%	Additional “employer share” of payroll taxes
State Paid Family Medical Leave	0.25%	Expense of contractor opt-in to PFML
Unemployment compensation	1.06%	Average cost of state unemployment insurance
Workers Compensation	2.84%	Average cost of state workers comp coverage
Miscellaneous expenses	1.2%	Equipment, business taxes & license fees
Total associated cost factor	113%	1.13

Associated Time Factor

Item	Amount per engaged hour	Notes
Rest breaks	2.5 minutes	10 minutes of rest time per 4 hours of work
Time to review offers	3 minutes	Minimal estimate of time to review offers
Time to availability	5 minutes	Minimal estimate of time from performing offer to availability for next offer
Time for administrative tasks	2 minutes	Minimal estimate of time for managing account, recordkeeping & customer support
Total associated time factor	121%	1.21

Associated Mileage Factor

Amount	Notes
For every 10 engaged miles:	Non-exclusive examples
<ul style="list-style-type: none"> 1.25 miles 	<p>Miles to travel to locations where offers are available or return to starting location when dispatched from hub; and</p> <p>Miles to travel to locations for rest breaks, meal breaks, restroom access, and administrative needs.</p>
Total associated mileage factor 125%	1.25

Appendix 3. Transparency Requirements

Offer Information – Network companies would be required to provide app-based workers with up-front information on offers, including, as applicable:

- a reasonable estimate of engaged time required for performance;
- a reasonable estimate of engaged miles required for performance;
- a guaranteed minimum amount of network company payment;
- amount of any tip that a customer has indicated they will provide;
- name of any businesses that must be visited as part of the offer;
- information regarding physical labor required; and
- information about unsealed contents of online orders.

Receipts to App-based Workers – Within 24 hours of performance of an offer, a company would have to provide receipts to the app-based worker, including, as applicable:

- total amount of engaged time and miles, and geographic location(s) of the engaged time and miles;
- total compensation, itemized by gross network company payment, total incentives, compensation from tips, deductions, and net compensation;
- itemized fees collected from the app-based worker.

Weekly Notice to App-based Workers – Each week, a network company would need to provide a summary of the following to app-based workers, as applicable:

- total amount of engaged time and miles;
- total compensation, itemized by gross network company payment, total incentives, compensation from tips, deductions, and net compensation;
- itemized fees collected from the app-based worker; and
- any other information required by rulemaking from the OLS Director.

Receipts to Customers – Within 24 hours of performance of an offer, a network company would be required to provide receipts to the customer, including, as applicable:

- date and time of order;
- total amount paid to the network company, itemizing tips paid to the app-based worker, and any charges or fees retained by the company;
- any other information required by rulemaking from the OLS Director.

Company Records – Network companies would be required to routinely transmit records that the OLS Director deems necessary to administer, evaluate, and enforce the provisions of this legislation. These records may include (but are not limited to):

- availability of offers facilitated via the company platform;
- amount of engaged time and miles;
- amount of time that app-based workers spend working or waiting for work;
- number of app-based workers logged on to worker platform or accepting offers;
- aggregated worker compensation; and
- any other records deemed material and necessary by the OLS Director.

Tip Policies – A company would be required to ensure that its websites and other public facing materials do not describe fees or non-time charges in a way that could be misconstrued as a tip, gratuity or payment to the app-based worker. In addition, companies would need to ensure that all workers have access to the network company’s tip policy.