

August 6, 2020

MEMORANDUM

To: Seattle City Council
From: Karina Bull, Analyst
Subject: CB 119841: Technical Amendments to the Premium Pay for Gig Workers Ordinance

On August 10, 2020, the City Council (Council) will discuss and may act on two Council bills that propose technical amendments to ordinances establishing labor standards for gig workers:

- [CB 119841](#) – Technical Amendments to the Premium Pay for Gig Workers Ordinance sponsored by Councilmembers Herbold and Lewis; and
- [CB 119842](#) – Technical Amendments to the Paid Sick and Safe Time for Gig Workers Ordinance sponsored by Councilmember Mosqueda.

This memo discusses CB 119841. A separate memo discusses CB 119842.

CB 119841 – Background on Premium Pay for Gig Workers Ordinance

In June 2020, the Council passed [Ordinance 126094](#) (Premium Pay for Gig Workers Ordinance), as emergency legislation to support gig workers for the risks associated with working for food delivery network companies during the COVID-19 global pandemic and for the costs of taking preventative safety measures to protect themselves and others from the virus.

Effective June 26, 2020, the ordinance requires food delivery network companies (hiring entities) to provide premium pay to gig workers working in Seattle for the duration of the COVID-19 civil emergency proclaimed by the Mayor on March 3, 2020. The ordinance also establishes gig worker and consumer protections. Hiring entities, as a result of the ordinance going into effect, are prohibited from reducing areas of service in Seattle; reducing a gig worker's compensation; limiting a gig worker's earning capacity; or adding customer charges for delivery of groceries.

The Office of Labor Standards (OLS) implements and enforces the ordinance. If OLS finds that a hiring entity committed a violation, the OLS Director can issue an order requiring payment of unpaid compensation to the affected gig worker and penalties that are payable to the City and the gig worker.

Summary of Technical Amendments

This legislation would make technical amendments to the ordinance to support implementation and enforcement. The following amendments are consistent with Council's stated intentions in the original ordinance:

- Clarification that workers who are employees under [SMC 14.20](#) (Wage Theft Ordinance for employees) for covered hiring entities are not covered gig workers under this ordinance; and
- Clarification that hiring entities must comply with gig worker and consumer protections for the duration of the civil emergency proclaimed by the Mayor on March 3, 2020; and
- Clarification that the highest penalty for a third or subsequent violation of the ordinance is \$5,462.70 per aggrieved party, or an amount equal to ten percent of the total amount of unpaid compensation, whichever is greater.

These amendments would have an immediately effective date if authorized by a supermajority of the Council and signed by the Mayor.

Next Steps

Council action could occur at the Full Council meeting on August 10, 2020.

Please contact me if you have questions.

cc: Kirstan Arestad, Executive Director
Dan Eder, Deputy Director