



SEATTLE CITY COUNCIL
CENTRAL STAFF

CB 120514

App-Based Worker Paid Sick and Safe Time

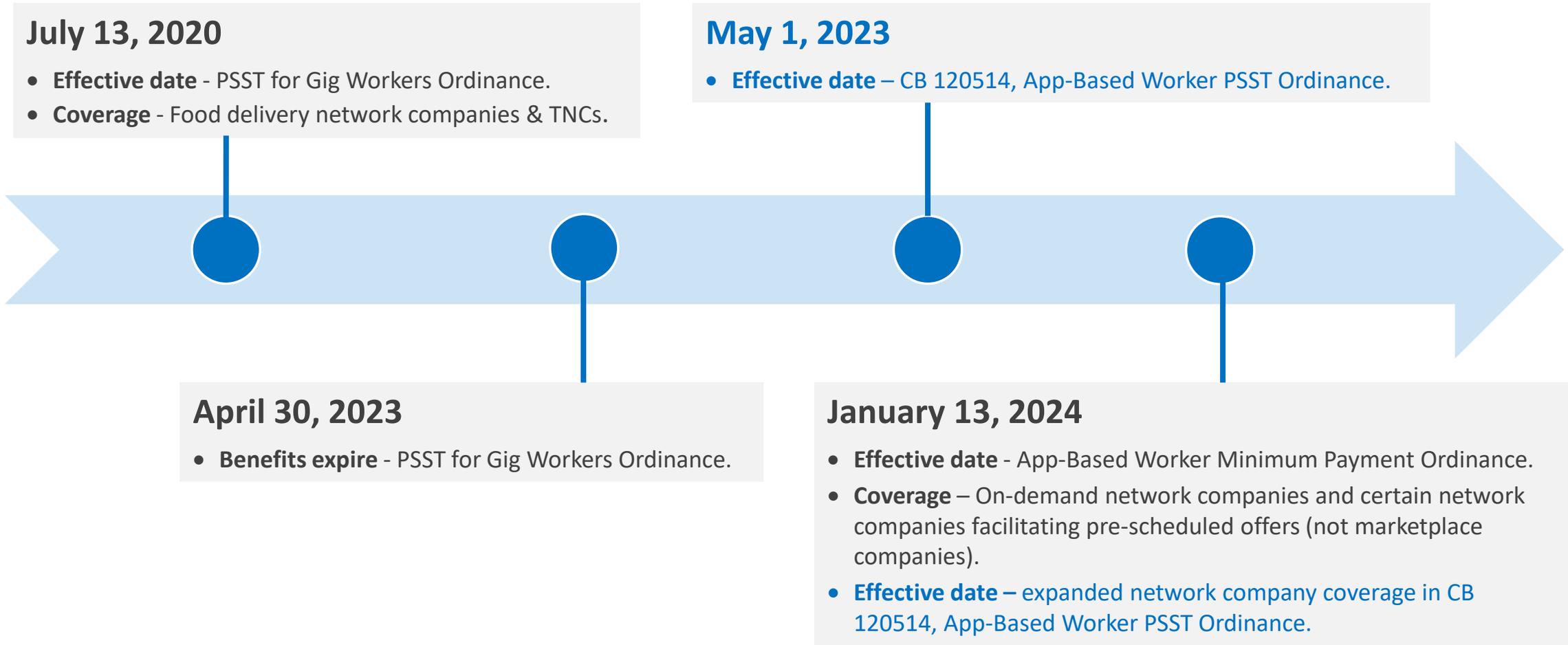
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FINANCE AND HOUSING COMMITTEE
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App-Based Worker Paid Sick and Safe Time

Council Bill 120514

- Network companies would provide app-based workers with paid sick and safe time (PSST) to care for their personal and family members' health conditions or safety needs.
- Office of Labor Standards (OLS) would implement and enforce requirements.
- Effective on May 1, 2023.

Timeline



PSST

Scope	<ul style="list-style-type: none">• App-based worker• App-based worker's family member
Sick Time	<ul style="list-style-type: none">• Diagnosis, care, or treatment of an injury, illness, or health condition• Preventive care
Safe Time	<ul style="list-style-type: none">• Network company has discontinued operations due to a public health emergency• Network company has reduced or discontinued operations for any health or safety reason• Closure of family member's school or place of care• Services for domestic violence, sexual assault, or stalking

Coverage

- **App-based workers** who perform services, in whole or part in Seattle, for a covered network company.
- **Network companies** covered by the App-Based Worker Minimum Payment Ordinance (Ordinance 126595).
 - On-demand network companies primarily engaged in facilitating **on-demand offers** (i.e., offers that require workers to initiate services within two hours of acceptance).
 - Certain network companies facilitating **pre-scheduled offers** (i.e., offers that require workers to initiate services two or more hours after acceptance).

Coverage Exclusions

- **Marketplace network companies** that primarily facilitate pre-scheduled offers but exert less control over the worker or performance of services.
 - Workers can interface with prospective customer to determine the scope of services before the customer places an online order,
 - Workers can set their own rates, and
 - Network company does not monitor offers by mileage or time.
- **Transportation Network Companies (TNCs)** due to state preemption of the field of regulating TNCs and drivers under ESHB 2076.

Coverage Dates

- **May 1, 2023**
 - Effective date of coverage for food delivery network companies.
- **January 13, 2024**
 - Effective date of coverage for all covered network companies.

Accrual and Use

Accrual

- **One day of PSST would accrue for every 30 days worked for the network company with a work-related stop in Seattle.**
- Food delivery network company workers who accrued PSST under the PSST for Gig Workers Ordinance would be entitled to retain and use that paid leave.

Use

- **PSST would be used in 24-hour increments** (i.e., daily increments).
- App-based workers would be eligible to use PSST if they had performed services in whole or part in Seattle for the network company within 90 calendar days of the PSST request.
- Network companies could request “reasonable verification” (i.e., evidence showing that PSST was used for an authorized purpose) only after the app-based worker used PSST for more than three consecutive days.

Payment

Payment for PSST = App-based worker's "average daily compensation."

- Daily average of compensation for each day worked in whole or part in Seattle in the preceding 12 months.
- Calculation would include earnings for services performed in Seattle and outside Seattle for each covered calendar day of work.
- As of January 13, 2024, calculation would include compensation for any engaged time or engaged miles covered by the App-Based Worker Minimum Payment Ordinance but would *not* include tips.
- Rate of average daily compensation would be recalculated every calendar month.

Accessible System

- Network companies would provide an **accessible system** via smartphone or online web portal for app-based workers to understand, request, and use PSST.
- OLS Director could issue rules defining reasonable criteria or requirements for this system:
 - Notice of rights
 - Clear instructions and procedures
 - Timely responses to app-based worker requests to use paid sick and paid safe time, ongoing access to paid sick and safe time information (e.g., accrued, used, and available PSST; rate of average daily compensation)
 - Transparent information on days worked and earnings to show the basis for calculating paid sick and paid safe time information.
 - Any rules would go into effect no earlier than January 13, 2024.

Other requirements

- **Notification** – At least monthly, network companies would provide written notification of PSST information (e.g., accrued, used, and available PSST; rate of average daily compensation).
- **Carry-over** – Network companies would allow carry-over of at least nine days of accrued, unused PSST to the following year.
- **Separations from work** – App-based workers would retain accrued, unused PSST for work separations (voluntary inactivity, deactivation) of 12 months or less.

Other requirements

- **Notice of rights** – Network companies would provide each app-based worker with a written notice of rights (at hire and annually) and PSST policy.
- **Recordkeeping** – Network companies would retain records showing compliance for three years.
- **Prohibited retaliation** – Network companies would be prohibited from retaliating against an app-based worker for exercising their right to PSST.

Enforcement

OLS

- Rulemaking, outreach and education.
- Company-wide investigations.
- Remedies of unpaid compensation (treble damages) with interest, civil penalties and fines. Director discretion to award penalties and fines to aggrieved parties.
- Estimated implementation costs of \$115,000 in 2023 and \$148,000 ongoing.

Private right of action

- Individual or class action.
- Remedies of unpaid compensation (treble damages) with interest, penalty for retaliation.

Next Steps

- **March 15**
 - If Committee votes to recommend approval of CB 120514 on March 15, Council could consider the legislation on March 21.
 - If Committee extends deliberations until a second Committee meeting, please contact Central Staff (Karina Bull) with any amendment proposals by close of business day, March 15.
- **March 21 or 28**
 - Council would need to consider the legislation on March 21 or 28 for the legislation to go into effect by April 30 (i.e., before temporary benefits expire under the Paid Sick and Safe Time for Gig Workers Ordinance).

Questions?