



SEATTLE CITY COUNCIL
CENTRAL STAFF

Premium Pay for Gig Workers

COUNCIL BILL 119799, SPONSORED BY COUNCILMEMBERS HERBOLD AND LEWIS

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COUNCIL BRIEFING
MAY 26, 2020

Premium Pay for Gig Workers

This legislation would declare an emergency in response to the high number of confirmed cases and deaths in King County and around the world from the new coronavirus 19 (COVID-19) and would require food delivery network companies and transportation network companies to provide gig workers with premium pay for work performed in Seattle during the COVID-19 emergency.

Premium Pay for Gig Workers

- Coverage
- Premium pay requirement
- Other requirements
- Enforcement
- Duration of legislation
- Next steps

Coverage

- **Hiring entities**
 - Food delivery network companies and transportation network companies with 250 or more gig workers worldwide.
- **Gig workers**
 - Gig workers who work for a food delivery network company or a transportation network company, where the work is performed in whole or part in Seattle.

Hiring Entities

- **“Food delivery network company”** ... offers prearranged delivery services for compensation using an online-enabled application or platform to connect customers with workers for delivery from one or more of the following: (1) eating and drinking establishments, (2) food processing establishments, (3) grocery stores, or (4) any facility intended to fulfill customer orders from a business whose business model relies on the delivery of groceries or prepared food and beverages.
- **“Transportation network company” or “TNC”** ... offers prearranged transportation services for compensation using an online-enabled application or platform, such as an application dispatch system, to connect passengers with drivers using a “transportation network company (TNC) endorsed vehicle,” as defined in SMC Chapter 6.310.

Gig Workers

“Gig worker” means a food delivery network company worker or a transportation network company driver.

- **“Food delivery network company worker”** means a person affiliated with and accepting an offer of prearranged delivery services for compensation from a food delivery network company.
- **“Transportation network company driver”** or **“TNC driver”** means a licensed for-hire driver, as defined in SMC Chapter 6.310, affiliated with and accepting trips from a licensed transportation network company.

Premium Pay Requirement

- **\$5 for each online order with a work-related stop in Seattle** - Hiring entities must provide premium pay of no less than \$5 for each online order for delivery or transportation services with a work-related stop in Seattle.
- **\$5 for each additional drop-off point in Seattle** - For online orders with more than one drop-off point, hiring entities must provide premium pay of no less than \$5 for any work-related stop in Seattle for a first drop-off point and no less than \$5 for each additional drop-off point in Seattle.
- **Notification of qualifying orders and itemized pay** - When providing the premium pay, hiring entities must include notification of online orders that qualified for the premium pay and itemize premium pay separately from other compensation.

Other Requirements

- **Notice of rights** – Hiring entities must provide each gig worker with a written notice of rights.
- **Recordkeeping** – Hiring entities must retain records showing compliance for three years.
- **Prohibited retaliation** – Hiring entities are prohibited from retaliating against a gig worker.

Enforcement

- **Office of Labor Standards**
- **Private right of action**
- **Unpaid compensation (treble damages), penalties payable to aggrieved party, civil penalties, fines**

Duration of Legislation

- **Premium pay requirement**

- Hiring entities must provide premium pay for the duration of the civil emergency proclaimed by the Mayor on March 3, 2020.
- If the City passes a minimum compensation standard for TNC drivers, the Council intends to consider eliminating the premium pay requirement for TNC drivers before the termination of the civil emergency.

- **Rest of the legislation (e.g., recordkeeping, enforcement)**

- The legislation will be automatically repealed without subsequent action by Council three years after the termination of the civil emergency proclaimed by the Mayor on March 3, 2020.

Next Steps

- **May 26, 2020** – Introduction and Referral
- **May 28, 2020 at 12 pm** – Request for Councilmembers to send proposed amendments to Central Staff
- **June 1, 2020** – Opportunity for Full Council Vote

Questions?