

August 6, 2020

## MEMORANDUM

То:	Seattle City Council
From:	Karina Bull, Analyst
Subject:	CB 119842: Technical Amendments to the Paid Sick and Safe Time 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:

- <u>CB 119842</u> Technical Amendments to the Paid Sick and Safe Time for Gig Workers Ordinance sponsored by Councilmember Mosqueda; and
- <u>CB 119841</u> Technical Amendments to the Premium Pay for Gig Workers Ordinance sponsored by Councilmembers Herbold and Lewis.

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

## CB 119842 – Background on PSST for Gig Workers Ordinance

In June 2020, Council passed <u>Ordinance 126091</u> (Paid Sick and Safe Time for Gig Workers Ordinance) to support gig workers working for food delivery network companies and transportation network companies during the COVID-19 global pandemic.

Effective July 13, 2020, the ordinance requires food delivery network companies and transportation network companies (hiring entities) to provide gig workers working in Seattle with paid leave to care for their personal and family members' health conditions or safety needs. Hiring entities are required to provide gig workers with paid sick and paid safe time until 180 days after the termination of the civil emergency proclaimed by the Mayor on March 3, 2020 or the termination of any concurrent civil emergency proclaimed by a public official in response to the COVID-19 public health emergency and applicable to the City, whichever is latest.

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 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 the Council's stated intention in the original ordinance:

- Clarification that gig workers who are employees under <u>Seattle Municipal Code (SMC)</u> <u>14.16</u> (Paid Sick and Safe Time Ordinance for employees) for covered hiring entities are not covered gig workers under this ordinance; 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.

If authorized by a majority of Council, these amendments would become effective 30 days after approval by the Mayor as provided by <u>SMC 1.04.020</u>. In the time between Council's passage of this legislation and the effective date, hiring entities would remain legally required to continue providing paid sick and paid safe time for covered gig workers who are not employees under SMC 14.16. In other words, covered gig workers would continue to have a right to paid sick and paid safe time for.

## **Next Steps**

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

Please contact me if you have questions.

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