

Gig Economy Business Model Dealt a Blow in California Ruling

News

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Co-Chair of the Gig Economy Practice Group, Rich Meneghello, is quoted in the *New York Times* article "Gig Economy Business Model Dealt a Blow in California Ruling." This article discusses the California Supreme Court's decision to replace the existing flexible test for determining employee status in California with a more rigid legal standard. The new test "ABC" test will make it much more difficult for businesses to classify their workers as independent contractors. "It's a massive thing — definitely a game-changer that will force everyone to take a fresh look at the whole issue," said Rich. Under the new test, also used in Massachusetts and New Jersey, a worker will only be considered to be an independent contractor if the business can prove the worker (A) is not controlled and directed by the company, (B) performs work outside of the "usual course" of the company's business, and (C) is customarily engaged in an independent trade, occupation, or business.

To read the full article, visit [*New York Times*](#). (subscription required)

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Richard R. Meneghello
Chief Content Officer
503.205.8044
[Email](#)

