

This Could Be A Game-Changer: Will Uber Provide Benefits For Drivers?

Insights

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During [Fortune's Most Powerful Women Summit](#) earlier this week, Uber's CEO Dara Khosrowshahi dropped a bombshell: the company wants to soon provide benefits to its drivers in an effort to close the gap between what is received by its contractor fleet and its employee workforce. [If this comes to fruition](#), it could revolutionize the way that gig workers are compensated, could lead to even more people jumping into the gig worker pool—and could spark a renewed misclassification battle over contractor status.

What's unclear at present is what this offering might look like. Khosrowshahi recently described a portable benefits system that would allow gig workers and other contractors to maintain coverage from job to job (or gig to gig). In such a system, the hiring entities might be on the hook to provide a percentage of the cost for such benefits, but the state may also fund part—or all—of the service. In any event, this could be a game-changer. “For the first time, I think we are now listening to our drivers, and we are building out our services in concert with them,” [Khosrowshahi said](#) in his October 3 address.

The company has already unveiled health care and accident insurance for its European drivers, but that is largely due to the tighter regulations and legal requirements in those countries. The concept of matching such benefits systems in the United States is somewhat revolutionary. One of the primary reasons that gig companies have not yet provided a full slate of benefits to its contractors is because of the concern that such a benefits package could lead a court or government investigator to classify the workers as employees. It's a classic “no-good-deed-goes-unpunished” scenario, but one that is very real to those in charge of making these decisions. It's yet another reason why regulatory reform over the gig universe is more important than ever.

We'll monitor these developments and provide updates about this initiative.

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