

Oldest Nationwide Misclassification Case Against Uber Gets Settled For \$1.3M

Insights

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The first-ever national misclassification case brought against Uber has now been put to bed. A federal court judge in North Carolina today gave her blessing on a \$1.3 million settlement wrapping up the litigation, handing some 5,000 workers payouts ranging from \$50 to almost \$5,000.

We wrote about this case way back in July 2017, when the court granted permission to a group of Uber drivers challenging the company's classification structure to band together and proceed with a class action lawsuit against the ride-hailing company (*Hood v. Uber Technologies, Inc.*). The drivers claimed they were improperly labeled as independent contractors and should be entitled to minimum wage, overtime, and other wage and hour protections under the federal Fair Labor Standards Act (FLSA). According to the attorneys representing the drivers, the ruling was the first time a court has tentatively allowed a nationwide FLSA case to proceed against Uber on this theory. The decision meant that those drivers who opted out of arbitration agreements—more than 5,000 workers—had the opportunity to join the case and bring their claims against Uber.

In the 16-page opinion approving the settlement deal struck between the parties, Judge Catherine C. Eagles concluded that the proposed settlement terms constituted “a fair and reasonable resolution” of the matter. According to Jon Steingart's summary of the settlement on Bloomberg, about one-third of the settlement is earmarked for attorneys' fees, and “another 6.9 percent will cover litigation costs and settlement administration.”

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