

Seattle Creates Minimum Wage For Gig Economy Drivers

Insights

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Seattle just joined New York City as one of the few locations in the country to pass minimum wage legislation for ride-share drivers, the city's latest attempt to regulate the gig economy. Under the "Fair Share" program pushed by Mayor Jenny Durkan and unanimously approved by the City Council on November 25, a new tax of 51 cents per ride will be levied to fund affordable housing programs and other civic projects, as well as help pay for the \$16 per hour minimum wage and various other workplace protections. The plan will only impact those ride-share drivers working for companies that handle 1 million rides per quarter in Seattle (which as of now would only impact Uber and Lyft drivers).

The plan will do the following for the eligible ride-share drivers:

- **Minimum Wage:** According to GeekWire, details of the minimum wage are still being hammered out. "The city is commissioning an independent study to determine how to apply minimum wage standards for drivers," writes Monica Nickelsburg. What's for sure is that the minimum wage will take effect July 1, 2020.
- **Driver Resolution Center:** Bloomberg Law reports that the plan also calls for the creation of a Driver Resolution Center that will provide representation to gig drivers deactivated from their jobs. Genevieve Douglas explains that the drivers can choose to bring their claims to a city arbitration panel, which has the power to order payment of wages, damages, and interest.

The mayor said she would sign the ordinance into effect later this week.

As noted above, this isn't the first time that Seattle has attempted to pioneer new regulations for the gig economy. The city continues to battle over its plan to permit certain gig workers to form the nation's first gig economy union.

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