

SUMMARY OF NO. 21-12

This proposed law would classify drivers for rideshare and delivery companies who accept requests through digital applications as "independent contractors," and not "employees" or "agents," for all purposes under Massachusetts law. This proposed law would establish alternative minimum compensation and benefits for these "independent contractors."

The proposed law would apply to drivers for rideshare and delivery companies who use digital applications and who are not (1) required to work specific days or hours; (2) required to accept specific requests; (3) restricted from working for multiple rideshare or delivery companies; or (4) restricted from working in any other lawful occupation or business. Drivers who meet these conditions would be deemed to be "independent contractors," and not "employees" or "agents," for all purposes under Massachusetts law.

The proposed law would require rideshare and delivery companies to provide drivers with a guaranteed amount of minimum compensation, equal to 120% of the Massachusetts minimum wage for time spent completing requests for transportation or delivery, plus an inflation-adjusted per-mile amount (starting at 26 cents) for each mile driven in a privately-owned vehicle while completing a request. The minimum compensation calculation would not include time spent by a driver between

requests. A driver whose earnings, not including tips and gratuities, fall below the minimum compensation amount would be paid the difference to be brought up to the minimum compensation amount.

The proposed law would require rideshare and delivery companies to provide drivers with paid sick time, to treat drivers as eligible to take medical or family leave under the Massachusetts Paid Family and Medical Leave Act, and to provide healthcare stipends to some drivers. Drivers would earn a minimum of 1 hour of paid sick time for every 30 hours spent completing requests for transportation or delivery.

The proposed law would require rideshare and delivery companies to purchase accident insurance for drivers who are injured or killed while fulfilling or accepting requests and not engaging in personal activities.

The proposed law would prohibit rideshare and delivery companies from terminating the contract of a driver, or refusing to contract with a driver, based on race, sex, sexual orientation, or other protected characteristics unless based upon a bona fide occupational qualification or a safety need. Companies would be required to provide a driver who is terminated with an opportunity to appeal their termination.