



Uber/Lyft Settlement & What it means for drivers

Office of the Attorney
General Andrea Joy Campbell



Background

July, 2020 – Lawsuit Filed

- Attorney General files lawsuit in Massachusetts against Uber and Lyft.
- Lawsuit sought a determination that Uber and Lyft drivers are employees entitled to the benefits and protections of Massachusetts Wage and Hour Laws.



May-June, 2024

Trial & Ballot Initiatives

- Three-week trial in Massachusetts Superior Court.
- SJC approves Ballot Initiates



July, 2024 – Settlement Agreement

- Attorney General enters into settlement agreement with Uber and Lyft.
- Settlement agreement resolves the lawsuit and U/L agree not to pursue ballot initiatives.
- Uber and Lyft agree to pay \$175 million and provide substantial new benefits and protections for drivers.



New Benefits and Protections for Drivers

1. Minimum Driver Pay @ \$32.50/hr
\$33.48/hr as of 1/15/25
2. Back pay for drivers (2020-2024)
3. Paid sick leave
4. Stipend for paid family medical leave
5. Health insurance stipend
6. Occupational Accident Insurance
7. Guaranteed appeals process for deactivation



Minimum Driver Pay

Overview

- Minimum driver pay started August 15, 2024 at \$32.50 per hour of “engaged time.”
- Each year, the minimum driver pay will be increased based on inflation.
- Beginning January 1, 2025, the floor increased to \$33.48



Minimum Driver Pay

How is minimum pay calculated?

- Uber and Lyft will track each driver's "engaged time" during a two-week period.
- For all engaged time, Uber and Lyft will ensure the driver earns at least \$33.48 an hour.
- If a driver's hourly earnings for that two-week period are less \$33.48 per hour, Uber or Lyft will make up the difference.



Minimum Driver Pay

What is “Engaged Time”?

- The time between when a driver accepts a ride and when the driver drops off the rider.
- Uber driver app: “Active Time”
- Lyft driver app: “Booked Time”



Minimum Driver Pay

Can I track my engaged time? Where?

- Each company must report “engaged time” to drivers.
- Uber: Go to the earnings tab in the driver app and find the tab for “Massachusetts Benefits.”
- Lyft: Go to the Earnings Tab in the driver app and find the Weekly Breakdown. This will show your “booked time.”



Minimum Driver Pay

What if I earned more than \$33.48 an hour?

- Minimum pay is a floor.
- Supplemental payments are only provided to drivers who earned less than \$33.48 an hour.
- Drivers who earned more do not get supplemental payment.



Minimum Driver Pay

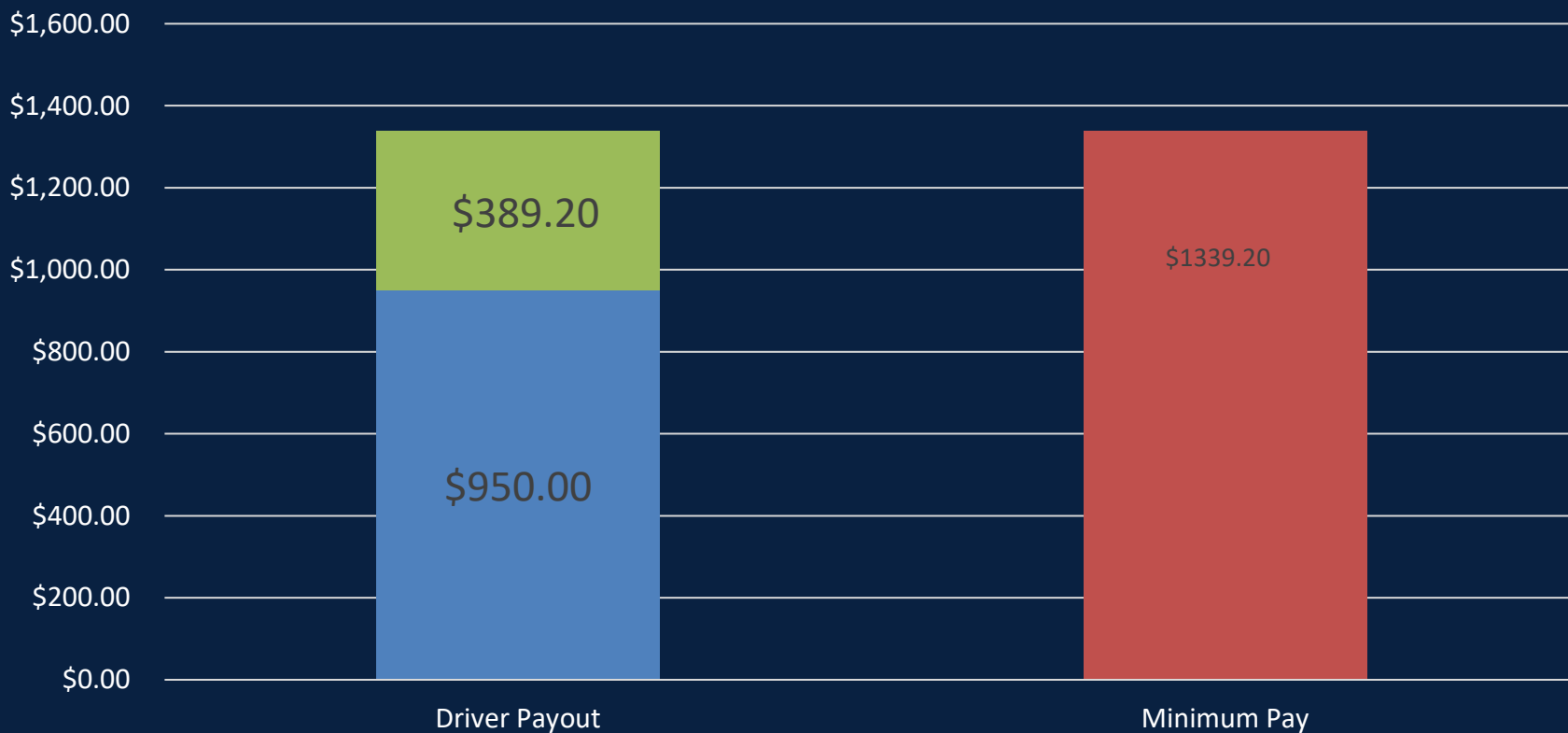
Example

- Driver's engaged time (Sep. 1 – Sep. 14) = 40 h
- Minimum pay for 40h = 40 hrs. x \$33.48 per hour = \$1339.20
- Driver's actual earnings = \$950.00
- Supplemental payment = \$1339.20 - \$950 = \$389.20



Minimum Driver Pay

Minimum Pay for 40 hrs. (Sep. 1 – Sep. 14)



■ Actual earnings ■ Minimum Pay ■ Supplemental Pay



Minimum Driver Pay

Which trips count toward minimum pay?

- MA Rides – covered. Only rides that begin in MA are covered by minimum driver pay.
- Rides beginning outside MA – not covered.
- Uber eats/food delivery - not covered.



Minimum Driver Pay

Which earnings count?

- All trip earnings (e.g. fares)
- All incentives and bonuses

Which earnings are excluded?

- Tips are excluded.
- Reimbursement for tolls, airport fees, other fees paid by riders.



Minimum Driver Pay

When do I get paid?

- Drivers will get paid as usual (weekly or instant/express pay).
- Every two-weeks Uber and Lyft will pay out the supplemental payment to drivers.



Driver Restitution Payments

How much restitution in total?

- \$145 million has been set aside for drivers.

Who qualifies for restitution payments?

- Drivers who completed trips for Uber and Lyft between July 14, 2020 and July 2, 2024 may qualify.
- Priority will be to pay restitution to the lowest paid drivers.



Driver Restitution Payments

How will I know if I am getting payments?

- The AG has hired settlement administrator Rust Consulting, Inc. Rust will contact drivers about payment eligibility.
- You do not need to file a claim and should not pay anyone to file a claim for you.
- Rust will be provided information about your driving history and calculate how much you are owed based on the rules the AGO sets.
- You may need to confirm your address when Rust contacts you.

When will I get restitution payments?

- Eligible drivers will receive payments starting in Summer 2025.



Paid Sick Leave

What is paid sick leave?

- Drivers earn one hour of paid sick leave for every 30 hours “engaged time.”

How much are drivers paid?

- Uber and Lyft will pay drivers \$20.60 per hour for sick leave.
 - This benefit began in November 2024 at \$20 per hour.



Paid Sick Leave

Is there a maximum sick leave?

- Yes. 40 hours per year per company.

How do drivers use paid sick leave?

- Drivers can claim sick leave on Uber and Lyft apps.
- Drivers can claim sick leave in 1-hour blocks.
- Uber and Lyft will not ask about reasons for using paid sick leave.
- Uber and Lyft will not require documentation of the reason for using paid sick leave.



Paid Sick Leave

What qualifies for paid sick leave?

- Care for yourself, your child, spouse, parent, or spouse's parent.
- Mental or physical illness or injury.
- Regular check ups, treatment or preventive care.



Health Insurance Stipend

New health insurance benefit.

- Uber and Lyft will pay a stipend to drivers to be used to obtain a qualifying health insurance plan.
- When does it start? March 1, 2025.



Health Insurance Stipend

Who is entitled to the stipend?

- Anyone who has more than 15 hours engaged time per week—for either or both companies—will be able to earn a health insurance stipend.
- Drivers can pool their hours driving for the two companies to obtain access to a health insurance stipend.



Health Insurance Stipend

How much is the health insurance stipend?

- 15+ hours average engaged time per week = 50% stipend.
- 25+ hours average engaged time per week = 100% stipend.

The Health insurance stipend will be paid quarterly.

What do I need to do to get my health insurance stipend?

- More information will be provided in February 2025.



Paid Family Medical Leave

Drivers receive a paid stipend to buy into the state's paid family and medical leave program.

- Uber and Lyft to pay drivers 50% of the cost of joining the Massachusetts Paid Family Medical Leave Program.
- Stipend paid by Uber and Lyft to drivers quarterly.
- Stipend will be approximately \$2 per \$500 in driver earnings.
- Starts January 30, 2025.



Paid Family Medical Leave

For more information to buy into the MA PFL program, visit:

- <https://www.mass.gov/info-details/paid-family-and-medical-leave-coverage-for-self-employed-individuals>



Occupational Accident Insurance

What is it?

- Drivers are eligible for occupational accident insurance coverage paid by Uber and Lyft.
- Insurance that covers medical expenses and lost income for injuries sustained while the Driver is online.

How much coverage?

- Insurance cover up to \$1 million in work-related injuries.
- Up to 156 weeks following an injury.
- Benefits for partial and total disability, and death.



Occupational Accident Insurance

When does it start?

- Started October 1, 2024.

Do drivers need to enroll?

- No, the benefit is automatically provided by Uber and Lyft.

Do drivers pay?

- No, Uber and Lyft will not deduct or charge drivers for benefit.



Account Deactivation Appeals

- Drivers will receive written notification of deactivation with information about why a driver was deactivated as well as the right to appeal any deactivation.
- Drivers will be able to appeal all Lyft or Uber decisions to deactivate that driver.
- Started September 2, 2024.
- The AG *does not* have authority to reverse or review the deactivation reason.



Driver Trip Information

Uber and Lyft must:

- Provide drivers with information about the length of a trip, the destination, and the expected earnings before they are expected to accept a ride.
- Provide drivers with detailed pay information about their earnings and how much a rider has paid once a trip is completed.



Protections from Retaliation

- Lyft and Uber will not in any manner retaliate against any Drivers because they complained to the Attorney General or made claims under the settlement agreement.



More resources

- Visit AGO website

<https://www.mass.gov/ago/uberlyft>



Contact AGO/FLD

www.mass.gov/ago/fairlabor

Fair Labor Division Hotline:
(617) 727-3465