



# 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

---

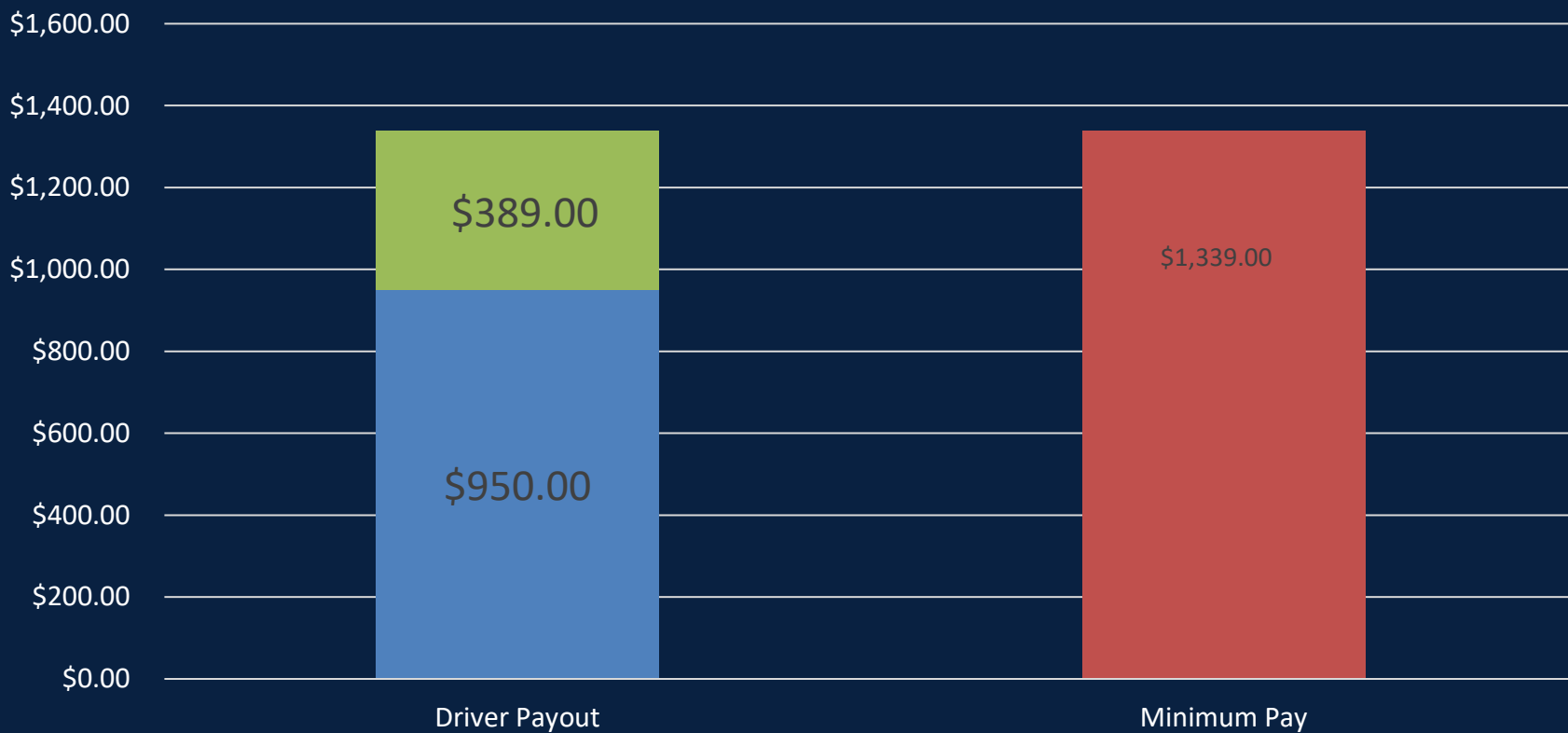
## Example

- Driver's engaged time (Sep. 1 – Sep. 14) = 40 h
- Minimum pay for 40h = 40 hrs x \$33.48 per hour = \$1339.00
- Driver's actual earnings = \$950.00
- Supplemental payment = \$1339-\$950=\$389



# Minimum Driver Pay

Minimum Pay for 8 hr 30 min (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 Spring 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 health insurance plan on the Massachusetts Health Connector.

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](http://www.mass.gov/ago/fairlabor)

Fair Labor Division Hotline:  
(617) 727-3465