

SUMMARY OF NO. 23-31

This proposed law would specify that rideshare and delivery drivers who accept requests through an online-enabled application are not "employees" for purposes of certain Massachusetts laws regarding workplace conditions, minimum wages, unemployment insurance, and workers' compensation. This proposed law would also specify that rideshare and delivery companies are not "employers" for purposes of those laws. This proposed law would also specify alternative minimum compensation and benefits for rideshare and delivery drivers.

The proposed law would apply to drivers for rideshare and delivery companies who use digital applications and who are (1) not required to work specific days or hours; (2) not required to accept specific requests; (3) not restricted from working with multiple rideshare or delivery companies; and (4) not restricted from working in any other lawful occupation or business.

The proposed law would require rideshare and delivery companies to provide drivers with a guaranteed amount of minimum compensation, equal to 120 percent of the Massachusetts minimum wage, for time spent completing requests for transportation or delivery, plus a per-mile amount for each mile driven in a privately-owned vehicle while completing a request. The per-mile amount would start at 28 cents and be adjusted yearly to increase by any percentage increase made to the Massachusetts

minimum wage. The minimum compensation calculation would exclude time spent by a driver between completing one request and accepting another request. 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 some drivers with a healthcare stipend. Drivers who average 25 hours or more per week completing requests for transportation or delivery services with a company would receive a full stipend for an average individual plan offered through the Health Connector, and drivers who average between 15 and 25 hours per week completing requests for transportation or delivery services with a company would receive a 50 percent stipend.

The proposed law would require rideshare and delivery companies to provide drivers with a minimum of one hour of paid sick time for every 30 hours spent completing requests for transportation or delivery services with that company.

The proposed law would require rideshare and delivery companies to purchase accident insurance to provide some disability and medical benefits for drivers who are injured or killed while online with the company's application or platform.

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 the termination with the network company.

The proposed law would take effect on January 1, 2025.