

# Uber and Lyft to pay out \$328m to New York ride-share drivers

Publication Date: 2023-11-02

Author: Erum Salam

Section: Technology

Tags: Uber, Lyft, New York, news

Article URL: <https://www.theguardian.com/technology/2023/nov/02/uber-lyft-settlement-new-york-driver-lawsuit>



The ride-share companies Uber and Lyft have agreed to a historic settlement totaling \$328m after being accused of withholding wages and benefits, such as mandatory paid sick leave, from drivers. The news, announced by the New York state attorney general's office, comes after a multi-year investigation following a complaint filed by the New York Taxi Workers Alliance (NYTWA) union, alleging the companies were committing wage theft and passing on taxes and fees to drivers rather than passengers. The attorney general's office said it was the largest wage-theft settlement it has ever won. At \$290m, Uber will pay the bulk of the settlement and Lyft will pay \$38m to current and former drivers. Additionally, Uber and Lyft agreed to instituting an "earnings floor", ensuring a minimum pay rate of \$26 an hour for drivers outside of New York City. Due to New York City Taxi & Limousine Commission (TLC) regulations, a minimum driver pay has already been set for drivers within these city limits. Earning floors will be adjusted annually for inflation for all drivers. In addition to the large settlement and a minimum pay rate, Uber and Lyft will also provide guaranteed paid sick leave. The companies will also offer more transparency around hiring and earnings by notifying drivers of the amount paid by the rider after each ride, providing in-app chat support for drivers who speak multiple languages, and allowing appeals to all deactivations from Uber and Lyft platforms. In a statement announcing the settlement, the New York state attorney general, Letitia James, said: "For years, Uber and Lyft systematically cheated their drivers out of hundreds of millions of dollars in pay and benefits while they worked long hours in challenging conditions. These drivers overwhelmingly come from immigrant communities and rely on these jobs to provide for their families. These settlements will ensure they finally get what they have rightfully earned and are owed under the law." Drivers will be notified by mail, email or text of distributions and instructions on how to file a claim. The executive director of the NYTWA, Bhairavi Desai, who championed loan forgiveness from predatory lenders for cab drivers that owned medallions, called the news of the Uber and Lyft settlement "a historic victory". "For years, our union has been fighting to recover stolen wages for New York City Uber and Lyft drivers who were cheated out of better living conditions, timely meals, rest and leisure," Desai said. "We're proud to be the union that fights for New York City drivers, and we're thankful to Attorney General Letitia James, who stood by workers, believed in our complaint and understood the urgency of this recovery." Jeremy Bird, Lyft's chief policy officer, called the pay out "a win for drivers" in a statement to the Guardian. "New York has long been a leader in providing drivers portable benefits through flexible earning opportunities with its Black Car Fund, and this agreement expands upon that foundation," he said. "We look forward to continuing this work in order to provide New York drivers the independence and full range of benefits available to those in other states, like California and Washington."