

California court upholds Uber drivers being contractors

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Uber, Lyft and other "gig economy" tech firms advocate a treating drivers or delivery people as independent contractors while providing them some benefits to stave off laws requiring they be treated as employees.

A California appeals court on Monday upheld a state law letting Uber,

Lyft and other app-based, on-demand companies treat drivers as independent contractors rather than employees.

The ruling came as a victory for ride-share firms and food-delivery app platforms that backed a measure called Proposition 22 ahead of its passage in the state in 2020.

"We're pleased that the court respected the will of the people, and that Prop 22 will remain in place, preserving independence for drivers," Uber chief legal officer Tony West told AFP.

The California voter-approved referendum that lets many [gig workers](#) be treated as independent contractors was ruled unconstitutional in August of 2021, setting up more legal fights over the controversial measure.

The labor legislation heavily backed by Uber, Lyft and other app-based, on-demand services effectively overturned a California law requiring them to reclassify their drivers and provide employee benefits.

A state judge later ruled the law violated California's state Constitution because the power to make laws about worker compensation belonged to legislators.

The appeals court, however, ruled that Prop 22 "does not intrude on the Legislature's workers' compensation authority."

The proposition has remained in effect as the litigation played out.

Under the proposition, drivers remained [independent contractors](#) but Uber and Lyft were to pay them a number of benefits including a minimum wage, a contribution to health care and other forms of insurance.

Labor groups fighting the initiative argued that it would erode worker rights and benefits.

The victory for the gig economy in California was expected to echo across the United States, in a boon for app-based services while igniting fears that big business is rewriting labor laws.

Prop 22 does guarantee some support such as pay topping the [minimum wage](#) and supplemented health care coverage—but it designates drivers as self-employed, meaning they do not have the right to some regular [employee benefits](#).

"We're all flabbergasted, angry and ready to keep on fighting," said Los Angeles Uber driver Nicole Moore, president of Rideshare Drivers United in California.

Moore hoped that the union group that filed the legal challenge to Prop 22 will appeal the latest decision to the state [supreme court](#).

Moore argued that the proposition has not benefitted the majority of ride-share drivers when it comes to pay and medical benefits.

"There's nothing good about this law," Moore told AFP.

"We hope the (California) Supreme Court will do the right thing."

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