

App-Based Worker Minimum Payment Ordinance Questions and Answers

Seattle's App-Based Worker Minimum Payment (ABWMP) Ordinance applies to certain app-based workers (sometimes referred to as gig workers) and provides for several rights and protections for covered workers. Key rights include:

- Minimum Payment: Right to minimum pay based on the time worked and miles travelled for each offer.
- Transparency: Right to upfront disclosures of offer-related information and right to receipts and payment records.
- Flexibility: Right to access the network platform without limitations (except for health and safety limitations), right to not be penalized for limiting availability or refusing offers, and the right to cancel an offer with cause.

The **Seattle Office of Labor Standards (OLS)** is responsible for the administration of this ordinance, providing outreach, compliance assistance, and enforcement services to app-based workers and network companies.

If you have a question that this Q&A does not cover, visit the <u>Office of Labor Standards website</u>. You may also call 206-256-5297 or reach us electronically:

- App-based workers with questions and complaints submit an <u>online inquiry form</u>.
- Network companies with requests for technical assistance send an email to <u>business.laborstandards@seattle.gov</u> or submit an <u>online inquiry form</u>.



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A.General Information

1. What does the ABWMP Ordinance do?

This law requires covered network companies to provide app-based workers with minimum payment for time spent and miles driven while completing a job, as well as certain information about a job before and after the worker accepts it. It also provides app-based workers with protections regarding their flexibility to log on to worker platforms, as well as accept and reject offers of work.

 When did the ABWMP Ordinance take effect? The ordinance took effect on January 13, 2024.

3. Which City department administers this ordinance?

OLS administers this ordinance. OLS provides a range of services for app-based workers and network companies including education, training, and compliance assistance.

4. Where do app-based workers call with questions? Can app-based workers remain anonymous? App-based workers can call 206-256-5297, email workers.laborstandards@seattle.gov, or submit an <u>online inquiry</u>. Upon request, and to the extent permitted by law, OLS protects the identifying information (e.g., name, contact information) of app-based workers who report violations and witnesses who provide information during investigations. OLS will not disclose the person's identifying information during or after the investigation, to the extent permitted by law. OLS may need to release names of workers who are owed payment as a result of an investigation.

5. What happens when app-based workers call OLS?

App-based workers may call OLS with questions or complaints. When app-based workers call OLS, they will be directed to an intake investigator who will provide information about the law or gather information about issues the worker may be experiencing. If app-based workers wish to make a complaint, OLS may collect information from additional witnesses and/or request documents from app-based workers. After reviewing information provided by app-based workers, OLS will decide if and how it can help, which may take a variety of forms, including simply providing information to the network company, trying to informally resolve the issue without a full investigation, or conducting a formal investigation. If OLS decides to investigate, and if OLS cannot investigate the network company immediately, it may place the case on a waitlist.

6. Does an app-based worker's immigration status impact coverage or application of the ordinance? No, immigration status does not impact coverage or application of the ordinance. As a matter of policy, the City of Seattle does not ask about the immigration status of anyone using City services. Read <u>OLS' Commitment to Immigrant and Refugee Communities</u> for more information.

7. Can network companies call OLS with their questions?



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Yes! OLS provides compliance assistance and training for network companies. Network companies can call 206-256-5297, send an email to <u>business.laborstandards@seattle.gov</u>, or submit an <u>online inquiry form</u>. OLS does <u>not</u> share information about the identity of network companies with our enforcement team. Phone conversations and email conversations are kept separate from the investigation process.

8. What happens when a network company calls OLS with a question about compliance? OLS encourages network companies to call or email their questions to our office. Our goal is to help network companies attain full compliance with Seattle's labor standards and we will answer many types of labor standards questions. OLS has staff dedicated to business engagement who respond to inquiries and who are not members of the enforcement team. Phone conversations and email exchanges with the business engagement staff are kept entirely separate from the investigation process.

B.App-Based Workers

1. Does an app-based worker need to be physically located in Seattle to be covered by the ABWMP Ordinance?

The ordinance provides app-based workers with many rights when working or seeking work in Seattle. Different rights have different coverage requirements:

When the following condition is met	The app-based worker is covered by the right(s)		
When the app-based worker is within Seattle City limits	 To access the worker platform and choose when to be available for work 		
When being presented an offer requires any performance of services in Seattle	 To receive up-front information about an offer 		
	 To accept or reject the offer 		
When performing an offer begins in Seattle	 To receive minimum payment for all time and miles occurring inside and outside Seattle 		
When performing an offer begins outside of Seattle	 To receive minimum payment only for the time and miles occurring in Seattle 		
When performing an offer requires any performance of services in Seattle	 To cancel acceptance of the offer with cause To receive a receipt for the offer and weekly payment information associated with the offer 		
When the network company knows or has reason to know that the app-based worker may be covered by ABWMP (i.e., the app-based worker may be presented covered offers or may access the worker platform while in Seattle)	 To receive a Notice of Rights and fraudulent use policy 		



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2. Where can I find a map of Seattle City boundaries?

Please click this link to view an interactive map showing Seattle's boundary lines.

- 3. Are app-based workers who are independent contractors covered by this ordinance? Yes. App-based workers who are independent contractors are covered by ABWMP. They are also covered by Seattle's <u>Independent Contractor Protections Ordinance</u> and the <u>App-Based Workers</u> <u>Paid Sick and Safe Time Ordinance</u>. In addition, many app-based covered by ABWMP will also be covered by the <u>App-Based Workers Deactivation Rights Ordinance</u>.
- 4. Are app-based workers who are classified as "employees" of the network company or customer covered by this ordinance?

No. A worker who is a covered employee (W-2) under Seattle's Minimum Wage Ordinance, <u>SMC</u> <u>14.19</u>, of either a network company or a customer of an online order, is not a covered app-based worker when performing an offer for that network company or customer.

- 5. How do I know if I'm an independent contractor or an employee? Please refer to this <u>worker classification guide</u> to learn how OLS analyzes employee and independent contractor status.
- 6. Is an app-based worker covered if they conduct business as a corporation, LLC, or other business entity? What if they advertise using a trade name?

Yes. An app-based worker is any person who has entered into an agreement with a network company governing the terms and conditions of use of the network company's worker platform or a person affiliated with and accepting offers to perform services for compensation via a network company's worker platform. An app-based worker can be any natural person, or any organization composed of no more than one natural person, whether or not they are incorporated or employing a trade name. However, a business composed of multiple individuals performing app-based work is not an "app-based worker."

Example: Diego advertises and performs delivery services as "Diego's Speedy Delivery, LLC." He is the only person performing deliveries for the business. When Diego's Speedy Delivery, LLC accepts offers to perform services via a network company's worker platform, he is an "app-based worker," and those offers may be covered by the ordinance.

Example: Sunil owns a home repair company called "Sunil's Fix-It Co." Sunil's Fix-It Co. has three employees. Customers can schedule repairs to be made by Sunil's Fix-It Co through another company's website that matches contractors to clients looking for household services, and any or all of Sunil's Fix-It Co. employees might perform the assigned work. When accepting and performing these offers, neither Sunil nor Sunil's Fix-It Co. is considered an "app-based worker." Sunil's Fix-It Co. is composed of multiple individuals, and offers are not being provided to any particular worker.



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7. Are app-based workers entitled to the rights provided by the ABWMP Ordinance regardless of immigration status?

Yes. All app-based workers who perform covered offers facilitated by covered network companies are entitled to the rights provided by the ABWMP Ordinance, including app-based workers who are not legally authorized to work in the United States. Per City of Seattle policy, OLS does not ask people about their immigration status, and we investigate complaints without regard to an individual's immigration status. For more information, see <u>OLS' Commitment to Immigrant and Refugee Communities</u>.

C. Network Companies

1. Which network companies are covered by the ABWMP Ordinance?

Covered network companies are entities that use online applications to connect workers with jobs and contract with 250 or more workers worldwide. Opportunities for work ("offers") that are performed in Seattle are subject to the law's requirements.

2. Are there any exceptions to coverage?

Yes, the following categories of network companies are exempted from coverage:

- Companies that facilitate work performed by fewer than 250 app-based workers worldwide;
- Appointment scheduling and/or payment processing companies;
- Digital Advertising or messaging companies;
- "Transportation network companies" (i.e., "rideshare" or "ridehail" companies), "for hire vehicle companies," and "taxicab associations," as defined by other laws;
- Marketplace network companies (for more information, see question 3, below); and
- Companies that <u>only</u> facilitate the following types of work (or for a covered company, the following types of offers of work are not subject to the law's requirements):
 - Sales or rental of products or real estate;
 - Services subject to a license to practice law or medicine;
 - Services provided wholly digitally; and
 - \circ Creative services or works.

3. What is a "marketplace network company"?

"Marketplace network companies" are network companies primarily facilitating offers that are prescheduled at least two hours in advance and that:

- Enable customers and workers to exchange information prior to workers' acceptance of offers;
- Allow the workers to set their own rates;
- Do not monitor the performance of work by mileage or time; and
- Do not primarily provide delivery services.

Marketplace network companies are not covered by the ordinance.



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4. How does OLS determine whether a network company "primarily" facilitates offers meeting the marketplace network company criteria?

A network company primarily facilitates marketplace network company offers when at least 65% of all Seattle offers during the last calendar year qualified as marketplace network company offers. For 2024, the calculation was based on offers performed from January 14th – April 13, 2024.

In addition, OLS may review the network company's marketing materials, promotional materials, or public statements (e.g., public company filings and investor presentations). If a network company claims it is a marketplace network company but describes itself in a way that is inconsistent with the definition of "marketplace network company," OLS may request evidence of compliance with the ordinance.

5. What is an "on-demand network company"?

"On-demand network companies" are network companies that *primarily* provide offers that must be performed starting within two hours of acceptance (also called "on-demand offers").

All offers facilitated by on-demand network companies are treated as on-demand, which means each offer is paid starting from the offer acceptance.

6. How does OLS determine whether a network company "primarily" facilitates on-demand offers? A network company primarily facilitates on-demand offers when 65% or more of all Seattle offers during the last calendar year were on-demand offers (requiring performance to start within two hours of acceptance).

OLS may also consider whether the network company's marketing materials, promotional materials, or public statements (e.g., public company filings and investor presentations) describe itself as an "on-demand network company."

- 7. How does OLS determine whether a network company "primarily" facilitates delivery offers? A network company primarily facilitates offers for delivery when 65% or more of all Seattle offers during the last calendar year were offers to perform delivery services.
- 8. How do new network companies determine what types of offers they "primarily" facilitate when they did not facilitate any offers during the preceding year? For a network company that did not facilitate or present an offer during the preceding calendar year, the calculation is based on the first 90 calendar days of the current year in which the network company is engaged in business.
- 9. If a network company facilitates offers both in Seattle and outside the City, does the network company need to consider offers outside of the City when making a determination about its primary activities?



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No, all calculations consider only the ratios of offers that require services performed in Seattle.

10. What are "creative services or works"?

"Creative services or works" include labor that contributes to the creation of artistic, literary, or intellectually created works that exist in a tangible medium, such as paper, canvas, film, or a digital format, as well as the resulting works. Some examples are writing, art, photography, graphic design, marketing, and related consulting services.

11. How is a network company's number of app-based workers calculated?

To calculate whether a network company facilitates work for 250 or more app-based workers worldwide, count the average number of app-based workers who worked for compensation per calendar week during the previous calendar year for all weeks during which at least one app-based worker worked for compensation. All app-based workers worldwide, whether or not they are covered by the ABWMP Ordinance, are counted for purposes of determining network company coverage.

12. How do new network companies determine their number of app-based workers?

Network companies with no app-based workers during the previous calendar year determine their coverage by calculating the average number of app-based workers worldwide who worked for compensation per calendar week during the first 90 days of the current year of business.

- 13. If a network company has app-based workers working in Seattle and outside the City, does the network company need to count all app-based workers to determine coverage? Yes. To determine coverage, network companies must count all app-based workers who perform work in Seattle and outside the City (worldwide).
- **14.** Is a network company covered if it only facilitates offers performed by other businesses? A network company might be covered by the ABWMP Ordinance even if it only facilitates offers performed by other businesses. Covered network companies are entities that use online applications to connect "app-based workers" with jobs and that contract with 250 or more app-based workers worldwide. An "app-based worker" can be any natural person, or any organization composed of no more than one natural person, whether or not they are incorporated or employing a trade name. Therefore, a network company may be facilitating covered work when it facilitates work by a business composed of no more than one person. And a network company is covered when it contracts with 250 or more app-based workers worldwide, even if some or all of these workers operate as a business composed of no more than one natural person.

D.Offers

1. What is an "offer" and why it matters under the ABWMP ordinance?



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An "offer" is an opportunity to perform services for compensation that an app-based worker can accept or reject. An offer may include work-related to one or more online orders that are facilitated by a network company and which are usually, but not always, placed by a customer. An offer may be for a shift or any other description of a continuous period in which the app-based worker commits to being available to work.

Offers may be "on-demand" or "pre-scheduled." An on-demand offer either requires work to begin within two hours of acceptance and/or is any offer facilitated by an on-demand network company. A pre-scheduled offer is facilitated or presented more than two hours before work is required to begin.

"Offer" matters within the context of the ABWMP ordinance because the key worker's rights established by ABWMP ordinance, such as the right to be paid minimum compensation and the right to receive up-front information, are applied at the offer-level (as opposed to order- or hour-level, for example).

2. Which types of offers are covered by the ordinance?

With some exceptions, offers of work that are facilitated by a covered network company, are obtained through an online application, and are performed in Seattle are subject to the law's requirements. The exceptions are:

- Sales or rental of products or real estate;
- Services subject to a license to practice law or medicine;
- Services provided wholly digitally (i.e., performance of the offer does not require any in-person meetings or work);
- Creative services or works; and
- Passenger trips provided or facilitated by transportation network companies (i.e., "rideshare" or "ridehail" companies), for-hire vehicles, and taxicabs.

3. What are "creative services or works"?

"Creative services or works" include labor that contributes to the creation of artistic, literary, or intellectually created works that exist in a tangible medium, such as paper, canvas, film, or a digital format, as well as the resulting works. Some examples are writing, art, photography, graphic design, marketing, and related consulting services.

4. Does an offer need to entail work in Seattle to be covered by the ordinance?

An offer must require some performance of services within the city in order to be covered. Offers trigger coverage by ABWMP rights as follows:

- If the offer requires performance of any services in Seattle, an app-based worker has the following rights, regardless of where the offer begins or ends:
 - receive up-front information about the offer;
 - accept or reject the offer;
 - \circ $\ \ \,$ cancel acceptance of the offer with cause; and



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- receive a 24-hour receipt and weekly payment information associated with the offer.
- If the offer begins in Seattle, all time and miles are subject to minimum payment requirements.
- If the offer begins outside of Seattle, only the time and miles occurring in Seattle are subject to the minimum payment requirements. However, a network company may choose to compensate an app-based worker for all time and miles in accordance with the minimum payment amounts.

5. Where can I find a map of Seattle City boundaries?

Please click the below link to use an interactive map showing Seattle's boundary lines. View an interactive map showing Seattle's boundary lines.

6. What does it mean to perform services within the City of Seattle?

An offer requires performance of services in the City when it begins, ends, or includes at least one work-related stop in Seattle. A work-related stop means time spent by an app-based worker on a commercial stop in Seattle that is related to the provision of delivery or other services associated with an offer (e.g., performing tasks at a customer's home, working a shift at a restaurant, or picking up or dropping off items ordered by a customer).

A work-related stop does not include stopping for refueling, stopping for a personal meal or errands, or time spent in Seattle solely for the purpose of travelling through Seattle from a point of origin outside Seattle to a destination outside Seattle with no commercial stops in Seattle.

7. Who is responsible for tracking information about covered offers: the network company or the app-based worker?

Network companies are ultimately responsible for tracking engaged time, engaged miles, and other relevant information regarding an app-based worker's performance or cancellation of an offer, as well as for providing app-based workers with up-front information, minimum payment, receipts, and weekly statements that include information regarding all offers performed in whole or in part in Seattle. OLS encourages app-based workers to track information about their offers to better understand the payment that they are entitled to.

E. Engaged Time, Miles, & Minimum Payment

1. What are the minimum per-minute, minimum per-mile, and minimum per-offer amounts? A network company must pay an app-based worker who performs an offer based on the engaged time/minutes spent and engaged miles travelled for that offer. In 2025 the required rates are

- \$0.45 per engaged minute; and
- \$0.77 per engaged mile.



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However, when the sum calculated based on per-minute and per-mile amounts is less than the minimum per-offer amount required by the ordinance, the network company must pay the per-offer amount.

• In 2025, the minimum per-offer amount is \$5.20.

In 2024, the minimum per-minute amount was \$0.44, the minimum per-mile amount was \$0.74, and the minimum per-offer amount was \$5.00.

 Do the minimum per-minute, minimum per-mile, and minimum per-offer amounts change each year and if so, when does OLS announce changes to these amounts? Yes. The amounts increase each year based on annual inflation and standard mileage rate adjustments.

OLS will announce the per-minute and per-offer amounts by January 1 every year.

OLS also aims to announce the per-mile amount by January 1 every year. However, if the Internal Revenue Service (IRS) releases an updated standard mileage rate on or after December 15 of the previous calendar year, OLS will announce the per-mile amount by January 15. If OLS announces the per-mile amount later than January 1, a network company shall retroactively pay app-based workers according to new amount for the offers beginning January 1.

3. How are these amounts calculated?

The minimum per-minute amount is calculated as follows:

[the minimum wage equivalent rate] x [associated cost factor (1.12)] x [associated time factor (1.17)]

The minimum wage equivalent rate is the per minute equivalent of the Seattle's minimum wage rate established by SMC 14.19.¹ For 2025, the minimum wage equivalent rate is 0.346, which is the 2025 minimum wage (\$20.76) divided by 60 minutes.

The minimum per-mile amount is calculated as the IRS standard mileage rate, which is \$0.70 in 2025, multiplied by the associated mileage factor (1.10).

The minimum per-offer amount is \$5.20 in 2025. In future years, it will be adjusted to account for inflation.

4. Does OLS have a tool to assist in App-Based Workers' minimum payment calculations?

¹ The ABWMP ordinance specifies that the minimum wage equivalent rate is based on the "large employer" or "Schedule 1" hourly minimum wage. Beginning in 2025, there is no longer a hourly minimum wage rate difference for "Schedule 1" and "Schedule 2" employers, so this Q&A simply calls it Seattle's minimum wage.



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Yes. OLS provides an <u>App-Based Worker Minimum Payment Calculator</u> on its website. It's a simplified tool to help calculate most common scenarios. For details of payment calculations, such as the coverages of time, miles, and cancellations, please read through this section E.

5. When do engaged time and engaged miles begin and end?

When engaged time and miles begin depends on whether the offer is "on-demand" or "prescheduled."

For "on-demand offers," or any offer facilitated by an "on-demand network company" (a company that primarily facilitates on-demand offers), engaged time and miles begin when the worker accepts an offer and end when the offer is completed, the worker is notified that the offer has been canceled, or the worker cancels the offer with cause.

Example: Toni accepts an offer to deliver items from a retailer to a customer's office immediately. Engaged time begins when Toni accepts the offer and includes all time until the offer is completed (e.g., travel to the retailer, waiting time at the retailer, as well as travel from the retailer to the customer's office). Engaged miles are all miles travelled during engaged time (e.g., miles from the location where Toni accepts the offer to the retailer, and from the retailer to the customer's office).

For "pre-scheduled offers," engaged time and miles begin when the job begins, or the worker reports for work, and end when the offer is completed, the worker is notified that the offer has been canceled, or the worker cancels the offer with cause.

Example: Maya accepts an offer to perform housecleaning services the next day. Engaged time for the offer begins when Maya arrives at the customer's home at the agreed upon time. Engaged time for the offer ends when Maya finishes services. There are no engaged miles associated with the offer.

6. How are engaged time and miles calculated if only part of the offer is performed in Seattle? If the offer begins in Seattle, all time and miles are subject to minimum payment requirements.

If the offer begins outside of Seattle, only the time and miles occurring in Seattle are subject to the minimum payment requirements. However, a network company may choose to compensate an appbased worker for all time and miles (both inside and outside Seattle) in accordance with the minimum payment amounts.

7. Does the minimum amount requirements apply to offers that begin outside of Seattle? It depends. For offers where performance begins outside of the City, the minimum amount requirements apply provided the offer requires performance within the City (e.g., offer for delivery pickup outside the City, but drop-off is within the City). If the offer does not require performance within Seattle, Seattle's minimum payment requirements do not apply to it.



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8. Do the minimum amount requirements apply to offers that begin inside of Seattle, but end outside of Seattle?

Yes, the minimum amount requirements apply to the entire offer.

- 9. Do the minimum amount requirements apply to on-demand offers where the worker is in Seattle when they receive the offer, but both the pickup and drop-off locations are outside Seattle? Yes, for on-demand offers that require performance within two hours, such as hot food delivery and "2-hour parcel delivery," the minimum amount requirements begins when the app-based worker receives the offer in Seattle, regardless of whether the pickup and drop-off locations are inside or outside of Seattle.
- **10.** Is a network company required to pay the guaranteed minimum amount of payment disclosed in the offer's up-front information?

Yes, unless the offer is cancelled. For example, if a network company lists \$50 as the guaranteed minimum amount in the offer presented to an app-based worker (see Section F on "Up-Front Offer Information" below), but the actual engaged time and engaged miles would only require payment of \$40, the network company must still pay \$50.

11. When has an app-based worker accepted an offer?

An app-based worker "accepts" an offer when they make an initial communication to the network company that they intend to perform services in furtherance of an offer. This includes, but is not limited to, indicating acceptance through the worker platform (e.g., clicking an "I accept" button in the app).

12. If an app-based worker accepts another offer while they are already performing an offer for the same network company, how are engaged time and miles calculated?

If an app-based worker accepts a new offer during performance of a previously accepted offer (e.g., "stacked," "back-to-back," or "bundled" offers), and both offers are from the same network company, engaged time and engaged miles during the overlapping work time are subject to the minimum compensation requirements for a single offer. In other words, the app-based worker is only owed the regular minimum payment rates for overlapping time spent on offers (i.e., not double the rate).

However, if an app-based worker receives a new opportunity to work while still working on a prior offer, the new offer is subject to the other requirements of the ordinance, including but not limited to, rights to up-front information and flexibility (see question in sections G and H).

13. If an offer is cancelled, is the app-based worker still owed the minimum payment required by the ordinance?

It depends on who cancels the offer and why. The chart below summarizes the requirements, which are further explained in the text below.



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Cancelled by:	Network company, customer, or third- party business	App-based worker with cause	App-based worker without cause
Compensation Owed:	Per minute + per mile rates or minimum offer amount	Per minute + per mile rates or minimum offer amount	No compensation owed

<u>Cancelled by network company or customer</u>. When an offer is cancelled by a network company or customer, the app-based worker is owed the minimum per-minute and per-mile rate for all time and miles spent performing the offer or at least the minimum per-offer amount. (There is an exception for the minimum per-offer amount for on-demand offers: see the "grace period," question below.)

Example: James accepts an offer to deliver dinner from a restaurant immediately. James drives two miles and arrives at the pick-up window ten minutes later. When James arrives at the restaurant, they are notified that the dinner has already been picked up and that their services are no longer required. James is owed ten minutes x per-minute rate (\$0.45 in 2024) + two miles x per-mile rate (\$0.77 in 2024) = \$6.04.

<u>Cancelled by app-based worker with cause</u>: When an offer is canceled by an app-based worker "with cause," the worker is owed the minimum per-minute and per-mile rate, or at least the minimum per-offer amount, for all time and miles spent performing the offer. Permissible causes for cancellation include:

- Up-front information was substantially inaccurate (not including customer alteration of tips);
- The app-based worker cannot complete the offer because the customer is not present or fails to respond to the app-based worker, the customer's presence or response is required, and the app-based worker has made attempts to contact and/or wait for the customer in accordance with network company policy;
- Timely completion of the offer has become impracticable due to an unforeseen obstacle or occurrence; or
- The app-based worker makes a good faith complaint regarding sexual harassment or discrimination that is alleged to have occurred during performance of the offer.

(See Q&A section H. 2-8 & 10 on cancellations for more detail about causes for cancellation and network company review of cancellations.)

Example: Ocean accepts an offer to deliver groceries to a customer's home. When Ocean arrives at the customer's home, the customer does not answer the door or respond to messages and calls. The order contains age-restricted items, and the network company policy requires that Ocean check identification before drop-off. Ocean waits five minutes for a response from customer, in accordance with network company policy. After five minutes, Ocean cancels their acceptance of the offer and informs the network company that the customer was non-responsive. The network company must pay Ocean the minimum per-minute and per-mile rates



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for all Ocean's time and miles incurred attempting to complete the offer. If the network company requires that Ocean return the groceries to the store, the network company must pay Ocean the minimum per-minute and per-mile rates for all time and miles required to return the items.

<u>Canceled by an app-based worker without cause</u>: When an offer is canceled by an app-based worker "without cause," the worker is not entitled to any of the minimum payment required by the ordinance. An offer is canceled without cause when the app-based worker fails to provide a reason for cancelling or failing to complete an offer, or when the worker provides a reason that is not on the list of reasons for cancelling with cause.

(See Q&A section H. 2-8 & 10 on cancellations for more detail about causes for cancellation and network company review of cancellations.)

Example: Sandra accepts an offer to fill a shift starting in one hour at a local warehouse. Sandra does not arrive for the shift and does not communicate any reason for cancellation to the network company. Sandra is not entitled to minimum payment, including for any time or miles they might have incurred traveling toward the warehouse location.

14. Is an app-based worker owed the minimum per-offer amount when the offer is cancelled right away?

There is a "grace period" for on-demand offers. The minimum per-offer amount is not required when <u>ALL</u> of the following conditions are met:

- The offer is cancelled by the network company, the customer, or a third-party business;
- The offer is cancelled within three minutes of acceptance by the app-based worker;
- The app-based worker has travelled less than 0.25 of a mile in furtherance of the offer; and
- The network company has not charged the customer a cancellation fee.

An app-based worker is still owed the minimum per-minute and per-mile amounts for the actual minutes and miles.

There is no grace period for prescheduled offers.

15. When a network company removes or reassigns an offer in progress, is it considered "cancellation" by the network company?

Yes. Cancellation by a network company or customer means any action taken by a network company or customer to revoke, retract, or otherwise remove an app-based worker's access to an offer, regardless of whether the network company or customer describes removal of an offer as a "cancellation."

An offer is considered cancelled when the network company or customer informs the app-based worker that the offer has been cancelled or otherwise removed from the app-based worker's access. Engaged time ends upon the app-based worker being informed of the cancellation.



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Such cancellations are subject to the grace period described in question 10 above.

- 16. Must the network company pay the app-based worker for all time when the work is performed intermittently? In other words, is there "off-duty time" that is non-compensable? Periods of time may be considered "off duty," and therefore excluded from "engaged time," when <u>ALL</u> of the following conditions are met:
 - The app-based worker is completely relieved of the duty to perform work;
 - The app-based worker may use the time effectively for their own purposes;
 - The app-based worker has been provided a specific time when work will resume, or the appbased worker controls when they will resume performance of work;
 - The app-based worker is not required to be present at a specific location; and
 - The app-based worker is not required to be logged into the worker platform or to be available for communication with the network company or customer.

The network company is responsible for facilitating a means for the app-based worker to record engaged time and off-duty time, as well as any engaged miles.

17. Does the per-mile rate only apply to travel in a car and not travel with other kinds of vehicles?

No. The per-mile rate applies to all engaged time, which means miles traveled during engaged time in a vehicle that the network company does not own and maintain or in a vehicle leased by the network company or its agent to the app-based worker. The "vehicle" can be a gas car, an electric car, a scooter, a moped, a bike, or an electric bike.

18. When is training time subject to minimum payment requirements?

When training is required by a network company, it is considered "engaged time," meaning it is subject to the ordinance's minimum payment requirements. Required training may include programs, tutorials, meetings, or similar activities, and may be performed virtually or in person.

Training is considered "required" if it is:

- a prerequisite for working with a network company or for accepting any offers or types of offers;
- necessary for understanding the worker platform functionalities; or
- offered to improve performance of services or customer experience unless the training is voluntary for the app-based worker.

Example: Zadie watches a video about the network company's rules for delivering orders containing alcohol. The network company does not permit an app-based worker to accept offers that include alcohol delivery unless the worker has watched the video. Zadie's time spent watching the video is considered engaged time and is subject to the minimum per-minute amount of network company payment.



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Example: Jesmyn reads a network company's weekly website posts with "tips and tricks" for efficiently completing offers. The network company does not require workers to read the posts, and workers are able utilize the company's worker platform and perform all services without the information. Jesmyn's time spent reading the posts is not considered engaged time and is not subject to the per-minute amount.

Example: A network company requires Roxane to pass a driver safety course. Time spent in classes and taking the test is considered engaged time and is subject to the per-minute amount. Any miles driven by the app-based worker during that engaged time are subject to the per-mile amount, unless the network company provides Roxane a vehicle that it owns and maintains, without charge to the worker. However, if Roxane decides to study or practice driving for the test, Roxane's time spent studying or practicing (and any resulting miles) are not considered engaged time and are not subject to the ordinance's minimum amounts.

19. Should a network company track training time and any associated miles? What if the training is not offered via the network company's worker platform?

A network company is responsible for tracking training time, just like all other engaged time. If the network company does not record the app-based worker's training time and/or miles via the worker platform, the network company must make available a functional means for the app-based worker to report engaged time and/or miles in the worker platform.

F. Deductions

 Can a network company make deductions from an app-based worker's compensation? A network company may only deduct compensation when the app-based worker expressly authorizes the deduction in writing and does so in advance for a lawful purpose for the benefit of the app-based worker. Any authorization by an app-based worker must be voluntary and knowing.

Example: A network company usually pays the app-based workers at the end of each calendar week but gives the app-based workers the option to receive their same day compensation at the end of each day the worker worked. If an app-based worker uses the same day payment option, \$2 will be deducted from their pay. To comply with the law, this network company must notify all app-based workers on its platform about the deduction associated with this same-day payment option and require workers who use this option to acknowledge their awareness of this charge by signing their name or initial.

2. What are the requirements for obtaining an app-based worker's written authorization for deductions?

To be a valid deduction, the written authorization of deductions must:

• Be written in the app-based worker's primary language;



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- Clearly and simply state that the app-based worker authorizes a deduction from their compensation;
- Clearly and simply state the estimated amount and nature of the deduction;
- State the effective date(s) of the deduction;
- State how the app-based worker may rescind the authorization at a future date, including the option to rescind such authorization in writing; and
- Be signed by the app-based worker, including by electronic signature.
- 3. Are there any exceptions for obtaining written authorization for deductions?

Yes. A network company may deduct any portion of the app-based worker's compensation without prior written authorization for any of the following reasons.

- The deduction is required by state or federal law; or
- To satisfy a court order, judgment, wage attachment, trustee process, bankruptcy proceeding, or payroll deduction notice for child support payments.

These deductions must be labeled as a "mandatory deduction" in the app-based worker's per-offer receipt and weekly notice of pay information.

4. What are the requirements to provide deduction information in the app-based worker's primary language?

For a deduction to be valid, the authorization must be written in the app-based worker's primary language. One way for a network company to comply with this requirement is to provide the required information describing a deduction in all known primary languages of its app-based workers in one PDF that is accessible via a link, in the same location where app-based workers access information about the deduction in English.

5. What are permissible ways of gathering an app-based worker's signature for a written authorization for a deduction?

An authorization must be signed by the app-based worker. The signature may be gathered digitally and/or in the worker platform. For example, it may be collected by a mechanism for capturing an electronic signature and/or a button in the worker platform clearly indicating that the worker understands and authorizes the deduction.

6. Are there any deductions that are not permissible, even with a worker's prior written authorization?

Yes, certain deductions are impermissible. A deduction is impermissible when it is for:

- the financial profit or benefit to the network company. A deduction will be considered for financial profit or benefit if it results in a gain over and above the fair market value of the goods or services for which the network company made the deduction;
- the cost of damage to or loss of network company, third-party business, or customer property (e.g., alleged damage to property at delivery or pick-up location or at a customer's home); or
- a fee for cancelling acceptance of an offer or failure to complete an offer.



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Example: A network company requires all cleaners on its platform to use the cleaning supplies provided by the company. It is impermissible for the network company to charge the app-based workers a price higher than average market price to purchase such cleaning supplies.

7. Is a fee charged for earlier access to earnings considered a "deduction"?

Yes. In general, a fee will be considered a deduction when it is paid via deducting (i.e., subtracting) any portion of the app-based worker's compensation. When a fee is charged to an app-based worker separately from payment of compensation, it is not a deduction.

G. Up-front Information

1. What information must a network company provide an app-based worker up-front (i.e., when presenting an offer of work)?

When presenting an offer of work, a network company must provide and/or ensure that a customer provides the following information:

- A reasonable estimate of engaged time;
- A reasonable estimate of engaged miles;
- Geographic locations where work will be performed;
- A guaranteed minimum amount of network company payment;
- Amount of any tips indicated by the customer in advance;
- Names of any businesses to be visited;
- Reasonably ascertainable information regarding dimensions and weights of any goods to be handled;
- Reasonably ascertainable information regarding accessibility at work sites, including numbers of flights of stairs and availability of elevators and ramps; and
- Reasonably ascertainable information regarding allergens, hazardous substances, meat and seafood, and alcohol contained in unsealed orders.
- 2. What does it mean for an on-demand offer to be made available for at least two minutes after the app-based worker has been provided up-front information?

The ABWMP ordinance requires that on-demand offers be made available for at least two minutes after an app-based worker has been provided the required up-front information. This means that every app-based worker that is shown the up-front information for an on-demand offer must have at least two minutes to read and consider the information.

• If the network company displays the offer to one app-based worker at a time: a network company may allow the app-based worker to choose to accept the offer sooner. It is also permissible to allow an app-based worker to reject an offer before two minutes. If a worker accepts or rejects an offer in less than two minutes, there is no need to continue to display the offer to the worker.



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• If a network company displays the offer to multiple app-based workers at once: workers must not be allowed to accept the offer during the two-minute time frame. If workers are competing to be the first to accept an offer before it has been posted for two minutes, the workers have not been meaningfully provided a two-minute opportunity to read and consider the information before making a decision. It is permissible for a worker to reject the offer at any point.

3. Who is responsible for obtaining and providing required up-front information?

Network companies are responsible for providing up-front information. When the network company does not already have the information, the company must ask third-party businesses or consumers to provide the information. The third-party businesses and consumers have the right to respond or not respond. If the third-party businesses or consumers do not respond, the network company must tell the workers about the absence of the information (e.g. "no information about work site accessibility is available").

- 4. A network company is not liable for inaccurate up-front information attributable solely to incomplete or inaccurate information provided by another party, provided that the network company made a "reasonable effort to obtain complete and accurate information". What qualifies as a "reasonable effort to obtain complete and accurate information"? There are many ways a network company might make a "reasonable effort to obtain complete and accurate information," but in general, a network company may make a reasonable effort when they ask third-party businesses and/or customers for the information. A "reasonable effort" to obtain complete and accurate information includes, but is not limited to, providing customers and third-party businesses with questionnaires regarding relevant information. The ordinance does not require the network company to independently inspect or verify conditions at third-party businesses and customers' homes or other work locations.
- 5. What if third parties do not provide the requested information to a network company? If the network company asks for required up-front information, and a third party does not provide it, the network company should inform the worker that the information is missing in the same format that the network company normally communicates the information. For example, if a network company has not successfully obtained information about a restaurant's menu, up-front information for a delivery from that restaurant could include a statement that "no information about ingredients is available," published in the same manner and location that a network company publishes its information regarding unsealed contents of an online order. See question G.16 for more information on unsealed contents.

6. Are network companies required to correct information?

A "reasonable effort" also includes taking steps to correct information that a network company knows or has reason to know is incomplete or inaccurate (e.g., verifying and updating information



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upon notice by an app-based worker about undisclosed conditions affecting accessibility or about undisclosed unsealed contents of an online order). If a network company is notified or otherwise has reason to believe that their information is incomplete or inaccurate, it should take steps to verify or correct the information.

Example: A network company receives information from a third-party business that an appliance delivered by app-based workers weighs 25 pounds. App-based workers report that the appliance weighs significantly more. The network company should confirm the proper weight of the appliance and update the up-front information provided for future offers that entail delivery of the same appliance. If, after a reasonable effort, the network company cannot confirm the proper weight, it should update the up-front information to indicate that accurate information about weight is not available.

Example: A network company receives no information from a third-party business about accessibility at the location. An app-based worker reports to the network company that the store is only accessible via stairs. The network company is responsible for updating the up-front information provided for future orders with this new information, in a timely manner. The network company may wish to contact the business to inquire about the app-based worker's report or otherwise conduct its own inquiry into accessibility at the third-party business. If, after a reasonable effort, the network company cannot confirm the correct information, it may continue to provide workers with the disclosure that accurate information about accessibility is not available.

7. The rules state that a "reasonable effort to obtain complete and accurate information" includes, but is not limited to, providing customers and third-party businesses with questionnaires regarding relevant information. What does that mean?

OLS interprets the term "questionnaire" in this provision to mean providing written (including electronic) questions with a means to receive answers. (E.g., a checklist of questions that ask about the required information would be considered questionnaires.)

8. For information regarding accessibility, physical labor, and unsealed contents, what information is considered "reasonably ascertainable"?

Network companies need only provide "reasonably ascertainable information" regarding accessibility, physical labor, and unsealed contents. Information is "reasonably ascertainable" when

- the information is publicly available, or a customer, third-party business, or other individual or entity involved in performance of the offer is in possession of the information,
- the network company has a contractual or other business relationship with the individual or entity; and
- the network company is able to contact the individual or entity to request it.

9. What is reasonably ascertainable information regarding accessibility?

When facilitating or presenting an offer, a network company must provide a description of reasonably ascertainable information regarding accessibility at work locations. The description must



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include, at a minimum, numbers of flights of stairs and availability of elevators, ramps, and other conditions affecting accessibility.

Example: Tommy is an app-based worker working for a grocery shopping platform. When a customer makes an order (or when a customer signs up for the platform), the network company could send the customer a brief checklist asking about the accessibility conditions at the customer's residency: Will the delivery worker need to climb one or more flights of stairs in order to deliver to the customer's home? Is there an elevator in the apartment building that the delivery worker can use? Is there any other condition that affects accessibility at the customer's residency? The network company should provide the same opportunities for the grocery stores to input their accessibility conditions. If the customer or the grocery store provides any information, the platform should publish the information in the offer. If no information regarding accessibility was ascertained, the offer should state that accessibility information is not available.

10. What is historical data on waiting time and how are companies expected to get it?

ABWMP ordinance requires network companies to provide a reasonable estimate of the engaged time when presenting each offer. The rules require network companies to consider, among other data points, the historical waiting time required to complete the offers during comparable periods of time when estimating the engaged time. The rules require a network company to base their estimates on historical waiting time at business stops only, as opposed to a stop at an individual's home or other location that does not operate as a business.

In some instances, relevant information on historical waiting time may not exist. For example, if a network company has not offered deliveries from a particular business in the past, it will not have had a chance to collect any historical waiting time data. A network company may ask a third-party business about its expectations regarding wait times for app-based workers, but this is not required.

Gathering and assessing data regarding app-based workers' wait times at business stops may help a network company to generate information about historical waiting time over time.

11. ABWMP ordinance requires network companies to include estimates of engaged time and engaged miles in each of its facilitated offers when presenting the offers to app-based workers. When presenting estimates of engaged time and engaged miles, can the estimates be ranges (e.g., 35-45 miles), instead of single numbers (e.g., 40 miles)?

The language of the ordinance and rules does not explicitly require network companies to provide a single number as the estimate of engaged time or engaged miles, so a network company is not prohibited from presenting the estimates as ranges. However, since the guaranteed minimum payment required to be presented in the offer is calculated based on the estimates of engaged time and engaged miles, it is recommended that network companies present single numbers of estimated engaged time and miles and calculate guaranteed minimum payment based on those single numbers.



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12. When presenting an offer that starts outside of Seattle and has work locations or business stops both inside and outside of Seattle, does the network company need to provide information for all locations?

No. The company only needs to provide information of locations within Seattle when the offer starts outside of Seattle.

13. When presenting an offer that starts inside of Seattle but has work locations or business stops both inside and outside of Seattle, does the network company need to provide information for all locations?

No. The company only needs to provide information of locations within Seattle.

14. What are the requirements related to disclosing order contents.

A network company must provide an app-based worker with information that it has about the unsealed contents of an online order.

15. What is included in the "contents of an online order"?

"Contents of an online order" means the food, drink, and other retail items purchased in an online order, to be handled and/or transported in furtherance of a network company or customer's request.

16. How is "unsealed" defined?

"Unsealed" means loose items or items in packaging that have the potential to open, spill, or otherwise expose an app-based worker to its contents. By contrast, an item is sealed when its packaging meets the following conditions:

- The item's own packaging is designed to prevent leaks or spills under normal conditions of handling (e.g., items in factory-sealed packaging); or
- The item is packed into a bag, box, or other container that is designed to prevent leakage or breakage and that is securely closed in order to contain items during storage and transport.

If an app-based worker handles items that would otherwise be considered unsealed before they are packed, the items are considered unsealed until they are packed.

Example: A glass jar of oysters, although it has the potential to be broken and spilled, is considered "sealed."

Example: If an order requires the app-based worker to pick up peanuts from the bulk foods area, even though the bulk foods can be later packed in a plastic or paper bag, this order is considered "unsealed" contents and should be disclosed in the offer.



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Example: Take out hot food packed in containers are usually considered "unsealed" (e.g. clamshell food containers) unless the food is packed in containers that are designed to prevent leaks (e.g. quart containers with tight-fitting lids).

17. What types of information about unsealed products must be disclosed?

A network company must disclose any of the following contents:

 i. Any major food allergens, as defined by <u>section 201(qq) of the Federal Food, Drug, and</u> <u>Cosmetic Act</u> (currently: milk, egg, fish, peanuts, tree nuts, wheat, soybeans, crustacean shellfish, and sesame);
 ii. Any products that are required to bear the label "danger" or "poison" pursuant to the

regulations implementing the Federal Hazardous Substances Act, at <u>16 C.F.R. 1500</u>; iii. Meat and seafood, specified by type (e.g., beef, pork, shellfish, etc.); and iv. Alcohol.

18. Can a network company just list all items or ingredients included in the offer?

Yes. A network company may choose to provide a list of all items or all unsealed items, rather than specifically identifying the required contents above. If the company chooses to provide a list of all items, and information regarding item ingredients is available to the customer, then the same information must be provided to the app-based worker.

Example: Rather than identify meat or seafood in a restaurant order, the network company chooses to publish the full list of menu items ordered. The network company must share the same description of each dish that the customer views, e.g., "Breakfast burger – beef patty topped with bacon, cheese, and a fried egg."

19. Besides up-front information in each offer, are there policies or other information that a network company must make available to app-based workers?

A network company must provide the following policies:

- Tip policy;
- Fraudulent use policy;
- An explanation prior to a change to how the company's payments will be calculated; and
- A notice of the worker's rights pursuant to this law.

H.Flexibility & Cancellation Rights

1. What are the "flexibility rights" provided by the ABWMP Ordinance?

App-based workers have the right to choose:

- When and how long to be logged onto a worker platform;
- Which offers to accept or reject; and



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• To cancel an offer "with cause" if the up-front information provided by the company was substantially inaccurate, a situation arises that makes it impracticable to complete the order on time, or the worker makes a complaint regarding sexual harassment or discrimination that occurred while performing work.

Network companies may not restrict or take adverse actions in response to app-based workers' exercise of these flexibility rights.

2. What are a network company's obligations when an app-based worker cancels an offer with cause?

The network company is obligated to pay minimum per-minute and per-mile amounts required by this law to app-based workers until the point when and where the cancellation with cause takes place.

The network company must neither subject an app-based worker to an adverse action nor create a policy subjecting an app-based worker to an adverse action for cancelling an offer with cause.

3. What are the requirements for an offer to be cancelled with cause?

An app-based worker may cancel an accepted offer with cause when any of the following conditions occur:

- a. Information provided in the offer (except for customer tip) was substantially inaccurate;
- b. The app-based worker cannot complete the offer because the customer is not present or fails to respond to communications from the app-based worker while the app-based worker has made attempts to contact and/or wait for the customer in accordance with an applicable network company policy;
- c. Timely completion of the offer has become impracticable due to an unforeseen obstacle or occurrence; or
- d. The app-based worker makes a good faith complaint regarding sexual harassment or discrimination that is alleged to have occurred during performance of the offer.

4. The ordinance allows an app-based worker to cancel an accepted offer with cause when timely completion becomes impracticable. What does "timely completion becomes impracticable" mean?

Timely completion of the offer becomes impracticable when:

- the app-based worker is no longer capable of performing the offer within the time frame required by the network company or within the timeframe required by the customer if the customer determined the time of performance; and
- the circumstances that making timely completion impracticable are outside of the worker's control.

Example: Min works for a prepared food delivery network company and accepted an offer to pick up the food from a restaurant in Federal Way and deliver it to Seattle within 20 minutes. Min's car



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broke down halfway through delivery and Min knew that it would take them a few hours at least to take the car for repairs. The worker can cancel the offer with cause because they will not be able to deliver the food within the time frame required by the network company due to circumstances outside the workers' control (car problems).

Example: Laila works for a network company that provides cleaning services. Laila accepted an offer to clean an apartment between 8 a.m. and 11 a.m. Laila arrived at the customer's apartment and cleaned for an hour, when the customer's apartment's water service was shut off. The customer requested that Laila pause the cleaning until the water was back on. However the customer just found out that the water in their apartment building would not be back until later in the afternoon. In this situation, Laila can cancel the offer with cause.

5. An app-based worker may cancel an accepted offer with cause if the conditions disclosed in the offer are "substantially inaccurate." What does that mean?

Information is "substantially inaccurate" when:

- Estimates or descriptions are significantly different from actual conditions of work; or
- The network company failed to disclose required information regarding
 - (1) physical labor requirements;
 - (2) accessibility;
 - (3) unsealed contents; or

(4) information related to the above three categories is inaccurate, and the inaccuracy results in the app-based worker having a reasonable concern regarding their safety and/or capacity to perform the offer.

Example: Yaa works for a network company that provides cleaning services. Yaa accepted an offer to clean a two-bedroom house between 8 a.m. and 11 a.m. When Yaa arrived at the customer's house, they discovered the house has four bedrooms and two bathrooms, and the customer expected Yaa to clean all rooms within the three hours scheduled. Yaa cancelled the offer with cause as the conditions that were disclosed in the offer are "substantially inaccurate."

Example: Ibram works for a delivery network company, and they accepted an offer to pick up a package from a residential address and deliver it to another residential address. The offer stated that "the package is 5 pounds and there are three stairs in front of the front door of the house." However, when Ibram arrived at the pick-up location, they were told that they had to go through the backdoor and climb about 10 stairs to get to the basement, where the package was located. When Ibram tried to lift the package, they realized that the package was at least 60 pounds and 5 feet long. Ibram was concerned that carrying this package up the stairs and through the narrow back door could hurt their already weak back. Ibram cancelled the offer with cause because the conditions disclosed in the offer are "substantially inaccurate."



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6. What happens when a customer modifies an order after the worker has accepted the offer, in a way that makes the up-front information inaccurate?

It depends on the scale and nature of the modification. A worker can cancel with cause depending on:

- whether the information that the worker received when they accepted the offer was substantially inaccurate,
- whether the estimates or descriptions provided in the pre-modification offer are significantly different from post-modification actual condition of work, and
- whether the modified information related to physical labor requirements, accessibility, or unsealed contents results in the app-based worker having a reasonable concern regarding their safety and/or capacity to perform the offer.

Example: Customer Celeste made an order through a delivery company website to hire an appbased worker to pick up and deliver a package that was 10-feet long, however, when Customer Celeste filled out the form associated with the order, they accidentally put in "1-foot long." Thirty minutes after Saeed accepted the offer and had driven 10 miles towards customer Celeste's home, customer Celeste's realized the mistake and changed the information. Reading the updated information, Saeed decided to cancel the offer because the 10-foot-long object could not fit in their car. This cancellation is with cause. The network company must compensate Saeed for the 30 minutes of engaged time and 10 engaged miles.

Example: When Cathy accepted an offer for grocery shopping and delivery, the offer listed five items to purchase. However, when Cathy arrived at the store, the customer added 20 more items to the order. Cathy is not required to cancel the offer, but if they choose to, this cancellation would be with cause, and the time spent between the offer acceptance and the cancellation as well as the miles travelled should be compensated.

7. The ordinance permits an app-based worker to cancel an accepted offer with cause when they cannot complete performance because the customer is not present or fails to respond to communications from the app-based worker, and the customer's presence or response is required for the app-based worker to complete performance of the offer. What about offers that do not require the customer's presence?

For no-contact or limited-contact deliveries, the performance of the delivery offer does not require the customer's presence. In those instances, an app-based worker could not cancel such an order with cause based solely on the fact that the customer was not present or responding. However, there are exceptions in which a customer's communication is crucial, such as when the sole item ordered is out-of-stock or the app-based worker requires a building entrance code in order to complete a delivery which the customer did not provide. Under these or similar situations, the appbased worker can cancel the offer with cause.



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For offers that require the presence or response from a customer, a network company may require that an app-based worker make attempts to contact and/or wait for the customer, in accordance with an applicable network company policy, before the app-based worker may cancel the order with cause.

8. An app-based worker can cancel an accepted offer with cause when the worker makes a good faith complaint regarding sexual harassment or discrimination that is alleged to have happened during performance of the offer. What do "good faith complaint," "sexual harassment," and "discrimination" mean in this provision?

A "good faith complaint" means that the app-based worker believes that their statements are true at the time of the complaint. The behavior that is the subject of the complaint need not have constituted sexual harassment or discrimination, so long as the worker held a reasonable belief that the actions amounted to sexual harassment or discrimination.

"<u>Sexual harassment</u>" means unwelcome and offensive behavior directed at an app-based worker because of their gender or gender identity, including, but not limited to, sexual advances, requests for sexual favors, "quid pro quo" proposals (e.g., offering tips in exchange for sexual favors), or other verbal, nonverbal, or physical conduct of a sexual nature. Sexual harassment does not have to be of a sexual nature. It can include offensive remarks about a person's sex or gender identity.

"<u>Discrimination</u>" means any act that is intended to or results in different treatment or any act that differentiates between or among individuals or groups of individuals by reason of race, color, age, sex, marital status, sexual orientation, gender identity, genetic information, political ideology, creed, religion, ancestry, national origin, citizenship or immigration status, honorably discharged veteran or military status, an individual's actual, potential, perceived, or alleged pregnancy outcomes, or the presence of any disability.

- **9.** Can a network company have a policy requiring app-based workers to return delivery contents? Yes. But the time and miles spent returning the delivery contents back to the company's warehouse, for example, will need to be compensated based on the ordinance's minimum payment requirements.
- 10. The law requires the network company to review an app-based worker's cancellation reason for at least 72 hours (three days) before determining whether an app-based worker cancelled an offer without cause. When does the 72-hour timeframe start? Can the network company reach a determination before 72 hours have passed?

The 72-hour timeframe begins when the app-based worker cancels an offer via the worker platform.

A network company may reach a determination before 72 hours (three days) have passed under the following conditions:



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- The app-based worker does not communicate a reason for the cancellation to the network company;
- The app-based worker communicates a reason for cancellation that is not a cause for cancellation listed by the law; or
- The network company is already aware that timely completion of the offer would have been impracticable, for example: if there are extreme regional weather events, natural disasters, or street closures.
- 11. Must a Network Company pay for engaged time and miles (i.e., time and miles subject to minimum payment requirements) when the worker cancels acceptance of the offer without cause?

No. The minimum network company payment (i.e., the minimum per-minute, per-mile, and peroffer amount) required by the ordinance does not apply to offers cancelled without cause by an app-based worker.

I. Receipts

1. What information must be provided to app-based workers in per-offer receipts? When must an app-based worker receive a per-offer receipt?

Network companies must provide app-based workers with per-offer receipts that include the following information:

- Itemized compensation, including:
 - Gross network company payment and how it was calculated, including per-minute and per-mile amounts;
 - Total of any incentives and the basis for calculating incentive pay;
 - Total compensation from tips;
 - Any deductions; and
 - Net compensation.
- Total engaged time, as well as the date and time that engaged time began and ended;
- Total engaged miles;
- Total fees collected from the app-based worker to access the network company's platform;
- If payment has not yet been processed, when the payment will be processed; and
- Geographic locations where work was performed.

When the offer begins outside of Seattle, the receipt should also indicate the following:

- The amount of engaged time and engaged miles that took place within the City, and the corresponding amount of minimum network company payment required; and
- The total amount of engaged time and engaged miles associated with performance of the offer and the corresponding amount of total network company payment associated with the offer.



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If a network company chooses to pay the minimum required payment for the offer's time and miles that occur within and outside Seattle, the company does not have to identify the portions of time and miles occurring in Seattle.

Receipts must be provided within 24 hours of an offer's performance, cancellation during performance by a network company or customer, or network company's determination that cancellation by an app-based worker was with cause.

- 2. What information must be provided to app-based workers in the weekly notice of pay information? Network companies must provide a weekly notice of pay information to app-based workers that includes the following information:
 - Itemized compensation, including:
 - Gross network company payment and how it was calculated, including per-minute and per-mile amounts;
 - Total of any incentives and the basis for calculating incentive pay, as well as information regarding any progress toward an incentive program;
 - Total compensation from tips;
 - Total deductions; and
 - Net compensation.
 - Total fees collected from the app-based worker to access the network company's platform;
 - Total engaged time; and
 - Total engaged miles.
- **3.** What information must be provided to customers in receipts? When must the network company provide the receipt?

Network companies must provide customers with a receipt for each offer, which must include the following information:

- The date and time of completion of the online order; and
- The total amount paid to the network company, itemizing all charges, fees, and customerpaid tips.

The network company shall clearly designate the amount of tips paid directly to the app-based worker and the amount of charges and fees retained by the company.

Receipts must be provided within 24 hours of an offer's performance, cancellation during performance by a network company or customer, or network company's determination that cancellation by an app-based worker was with cause.

4. How should a network company make clear which charges are retained by the company and which are paid to the app-based worker?

Each itemized fee should indicate whether it is paid to the app-based worker or retained by the network company. Alternatively, a network company could include a note that indicates which



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categories of charges are paid to the app-based worker and which are retained by the network company. For example:

- All tips and [ABC charges] are retained by the worker. All service fees, bag fees, taxes, and [XYZ charges] are retained by [Name of Company].
- 100% of tips, 100% of [ABC charges], and 50% of any service fee are retained by the worker.
 100% of bag fees, taxes, and [XYZ charges] and 50% of any service charge are retained by
 [Name of Company.]

The ordinance prohibits describing any fees or non-tip charges in a way that might be misunderstood as a tip, gratuity, or other payment to the app-based worker. Customer receipts must be clear, accurate, and not misleading.

5. How long must a network company make per-offer receipts and weekly notices of pay information available to workers?

A network company must make the per-offer receipts and weekly notices of pay information available in a downloadable format, such as .csv, via the worker platform for three years. The network company must ensure that there is an accessible means for an app-based worker to obtain them if the app-based worker no longer has access to the worker platform.

J. Notice and Posting Requirements

- 1. How should network companies provide the required Notice of Rights to app-based workers? A network company must make the Notice of Rights available to the app-based worker via the worker platform. Information is "made available via the worker platform" when:
 - a document in a commonly used electronic format is displayed (e.g., PDF), or
 - a link to the content is available, and the link is not password-protected or can be accessed using the same log-in credential that an app-based worker uses for the worker platform.

At least one time per calendar month in which the app-based worker has a period of engaged time, the network company must provide the app-based worker with the Notice of Rights:

- via email, and
- in one of the following two formats: text message or via a message in the worker platform whichever the network company typically uses to communicate to the app-based worker.

For a new app-based worker or an app-based worker who has not begun a period of engaged time for a six-month period, the network company must provide the app-based worker with the Notice of Rights within 48 hours of the app-based worker beginning a period of engaged time.

2. Has OLS issued a Model Notice of Rights for this ordinance? Do network companies have to provide the OLS Model Notice of Rights to their app-based workers?



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Yes, and yes.

The 2025 Model Notice of Rights for the App-Based Worker Minimum Payment and App-Based Worker Paid Sick and Safe Time Ordinances, as well as its translations into 16 non-English languages, are available on this page:

App-Based Worker Ordinances - LaborStandards | seattle.gov

Network companies must provide the OLS model Notice of Rights in all available languages to all app-based workers on the worker platform, no matter whether the network company is aware that their app-based worker primarily speaks such languages.

3. Are network companies required to provide OLS with their Notice of Rights? If so, how should they do so?

Yes. Network companies were required to submit their Notice of Rights by email by March 13, 2024 to <u>business.laborstandards@seattle.gov</u>. When submitting their Notice of Rights, each company must also submit the registered legal name and trade name of the company as listed on their Seattle business license tax certificate as well as a contact name and contact information for the company.

A company that begins operating as a covered network company in Seattle after March 13, 2024 should file before it begins operation as a covered network company in Seattle by emailing it to <u>business.laborstandards@seattle.gov</u>. When submitting their Notice of Rights, each company must also submit the registered legal name and trade name of the company as listed on their Seattle business license tax certificate as well as a contact name and contact information for the company.

4. The law requires the network company to provide a Notice of Rights in English and any language that the network company knows or has reason to know is the primary language of the app-based worker. How can a network company know an app-based worker's primary language? The network company is still required to create a Notice of Rights in a language that the app-based workers primarily speak, even if OLS has not created a notice in that particular language.

A network company can learn about a primary language through a variety of methods. Some examples include but are not limited to: (1) a network company's request for primary language information; (2) app-based worker questions (e.g., support line) in a language other than English; and (3) records of app-downloads in languages other than English.

K. Prohibition on Retaliation & Fraudulent Use Policy

1. Does the ordinance prohibit retaliation? What is retaliation?

Yes. Retaliation is illegal. Network companies and all others are prohibited from taking an adverse action or discriminating against app-based workers who assert their rights under the ABWMP Ordinance in good faith. These rights include but are not limited to:



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- Exercising flexibility rights;
- Informing a network company, union or other worker organization, or legal counsel about alleged ordinance violations;
- Filing a complaint about alleged ordinance violations;
- Participating in an investigation of alleged ordinance violations; or
- Informing other app-based workers of their rights under the ordinance.

2. What is an adverse action?

"Adverse action" means reducing compensation; garnishing tips or gratuities; temporarily or permanently denying or limiting access to work, incentives, or bonuses; offering less desirable work; terminating; deactivating; threatening; penalizing; retaliating; engaging in unfair immigration-related practices; filing a false report with a government agency; or otherwise discriminating against any person for any reason prohibited by the ordinance.

"Adverse action" for an app-based worker may involve any aspect of the app-based worker's work, including compensation, work hours, volume, and frequency of offers made available, desirability and compensation rates of offers made available, responsibilities, or other material change in the terms and conditions of work or in the ability of an app-based worker to perform work.

"Adverse action" also includes any action by the network company or a person acting on the network company's behalf that would dissuade a reasonable person from exercising any right afforded by this ordinance.

Example: A network company reserves a type of desirable offers for app-based workers who accept a certain minimum percentage of offers and/or provides earlier access to offers to those workers with high acceptance rates. This is not permissible under the ordinance, as it limits the volume and desirability of offers based on app-based workers exercising their right to reject any offer, types of offers, or proportion of offers.

3. Can network companies discipline app-based workers who violate policies related to rights under the ordinance?

Yes. Network companies can take reasonable disciplinary action for violation of its policies, provided such discipline does not constitute unlawful retaliation or discrimination based on an assertion of rights under the ABWMP Ordinance. Network companies should consider appropriate documentation of discipline. If a network company deactivates or terminates an app-based worker, ti must comply with the <u>App-based Worker Deactivation Rights Ordinance</u>.

4. Can network companies have internal policies to address fraudulent use of the platform?

Yes. A network company may take actions that are reasonably necessary to remedy or prevent fraudulent use of the network company's platform as long as those actions are not prohibited by the ordinance. Network companies must create an internal fraudulent use policy and make the policy available to app-based workers via the worker platform.



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The fraudulent use policy must include a description of what actions constitute fraudulent use, the consequences to an app-based worker who is found to have committed fraudulent use of the app, and the method for notifying workers when they are suspected of committing fraudulent use of the app. The fraudulent use policy also must include information regarding an opportunity, process, and timeline for an app-based worker to appeal a finding of fraudulent use, such as instructions for filing an appeal and instructions for how an app-based worker may provide documentation or other evidence in support of the appeal.

The network company shall include a link to or short description of where to find the fraudulent use policy in any communication to the app-based worker regarding suspected fraudulent use or determination that the app-based worker has violated the fraudulent use policy.

Example: A network company has a fraudulent use policy stating that a worker's account will be blocked if three violations of the policy occur within 90 days, yet the company deactivates workers prior to incurring three violations within 90 days. This is not permissible under the ordinance, as the fraudulent use policy fails to accurately convey to workers the consequences for a worker who is found to have committed fraudulent use of the app.

Example: A network company has a fraudulent use policy stating that a worker's account may be blocked if the worker is found to have violated the policy. The company deactivates a worker found to have incurred a single violation of the policy. This is permissible under the ordinance as long as the deactivation is not otherwise expressly prohibited by the ordinance and the policy that was violated is reasonably necessary to remedy or prevent fraudulent use of the network company's application or platform.

5. How should network companies provide the required fraudulent use policy to app-based workers?

A network company must make their fraudulent use policy available to the app-based worker via the worker platform. Information is "made available via the worker platform" when:

- a document in a commonly used electronic format is displayed on the worker platform (e.g., PDF), or
- a link to the content is available on the worker platform, and the link is not passwordprotected or can be accessed using the same log-in credential that an app-based worker uses for the worker platform.

L. Network Company Records

1. What are network company recordkeeping requirements for the ABWMP Ordinance? Network companies are required to retain records that show compliance with the law, including SMC 8.37 and SHRR Chapter 240, for three years.



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2. If a network company is under investigation but does not provide requested records, how will OLS determine the amount of compensation owed to the app-based worker?

If the precise amount of unpaid compensation cannot be determined due to a network company's failure to produce records, or if a network company produces records in a manner that makes timely determination of the amount of unpaid compensation impracticable, OLS will assess an amount for unpaid compensation of 480 minutes of engaged time at the minimum per-minute amount plus interest. For any violation of this ordinance, the OLS Director may assess damages in an additional amount of up to twice the unpaid compensation.

3. Do the covered network companies need to affirmatively submit data to OLS and what data is required?

Yes, covered network companies are required to transmit some data related to facilitated offers, app-based workers, engaged time, available time, worker's earnings, engaged miles, available miles, offer cancellation, and their Notice of Rights to OLS. The requirements are detailed in <u>SHRR 240-160.</u>

4. When and how often do covered network companies submit the data?

Covered network companies who have 1000 or more employees worldwide were scheduled to submit sample data on December 2, 2024, prior to submitting the first installment of actual data on January 31, 2025. All other covered network companies were scheduled to begin submitting data on July 31, 2025, and there is no requirement for them to submit sample data. After that, all covered network companies are required to submit data quarterly. To see the detailed schedule of data submission, read page 6-8 of "Records Reporting Guide for Network Companies" on OLS's <u>App-Based</u> Worker Minimum Payment Ordinance webpage.

5. Where can network companies find technical clarification and support regarding the data submission?

Network companies should read through "Records Reporting Guide for Network Companies" on OLS's <u>App-Based Worker Minimum Payment Ordinance</u> webpage, which includes comprehensive instructions on data processing, formatting, and submission.

Network companies are encouraged to email <u>business.laborstandards@seattle.gov</u> to request technical consultation from OLS staff.



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