

The \$2 trillion coronavirus relief package gives benefits to gig workers

Independent contractors for companies like Uber, Lyft and Instacart are now eligible for unemployment benefits.

The US government has agreed to include financial assistance to gig workers in its historic \$2 trillion economic relief package. The provision will benefit independent contractors who work for companies like Uber, Lyft and Instacart. Many of these gig workers have seen their earnings dwindle as the novel coronavirus has swept across the country and shelter-in-place orders have gone into effect.



As part of the stimulus bill, which passed Friday and now heads to President Donald Trump for his signature, gig workers can apply for unemployment benefits. They'll also be eligible for a weekly stipend in federal support for up to four months.

"I called for special protections for our gig workers and independent contractors," Sen. Edward J. Markey, a Democrat from Massachusetts, said in a statement. "Now they will have a new Unemployment Insurance program to provide benefits."

As the coronavirus has proliferated, it's slammed the world economy. In the US, the stock market has crashed, trade has slowed and unemployment has skyrocketed. COVID-19, the disease caused by the virus, has now infected nearly 570,000 people worldwide and claimed the lives of more than 25,000.

Gig workers are among those who've been hit by the pandemic. Many have seen their earnings dry up. Others have tested positive for COVID-19 or developed symptoms that have forced them to quarantine and take unpaid time off. This week a New York Uber driver in his 40s, Anil Subba, became the first known gig worker to die

from the disease.

Since gig workers are classified as independent contractors, they lack the same benefits as employees. Drivers and delivery people for these services don't have company health insurance, sick leave, family leave, disability or workers' compensation.

Being included in the federal government's stimulus package will likely give many of these workers much needed relief.

"Uber, Lyft and taxi drivers have seen their wages plummet and emergency relief is desperately needed," said Moria Muntz, spokeswoman for the Independent Drivers Guild, which represents 200,000 drivers in New York, New Jersey and Connecticut. "Now it is critical that the government sets a fast and easy process to get those funds quickly in the hands of workers most affected by this crisis. ... We polled New York City Uber and Lyft drivers this week and already half are seeking help accessing food. Speed is critical here."

The stimulus package is the largest ever passed in the US. It's authorized the government to send direct payments of \$1,200 to all Americans who earn \$75,000 or less, plus an additional \$500 for each child. In regard to the unemployment benefit, gig workers will be eligible for unemployment insurance, including four months of additional payments of up to \$600 per week. The benefit amounts will be based on previous income.

Gig economy companies have backed the measure. Uber CEO Dara Khosrowshahi wrote a letter to Trump earlier this week asking that gig workers be included in the package. He also said the government should create a new class of worker called the "third way." This classification would allow gig economy companies to continue classifying their workers as independent contractors.

"The 1.3 million Americans who drive and deliver with Uber are facing extraordinary economic challenges. Many are on the front lines of this crisis, keeping their communities moving and getting food to people sheltering indoors," Khosrowshahi said in a statement Thursday. "I am committed that Uber will do its part to advocate for new laws that permit companies like ours to provide additional benefits for independent workers going forward."

Anthony Foxx, Lyft's chief policy officer, echoed Khosrowshahi's statement.

"This will help the vast majority of people who drive with Lyft," Foxx said. "We're proud that the Lyft community is playing a key role in this historic challenge -- from driving seniors to food banks to getting health care workers to hospitals, Lyft's transportation networks are keeping people connected to essential services throughout the country."

Both companies have used the government funding as a way to advocate for keeping their workers classified as independent contractors -- something they've also been doing separately in various states across the country.

For example, California passed a law last fall, called AB 5, which could require the companies to reclassify their independent contractors as employees -- giving those workers added labor protections. The gig economy companies have fought the law on several fronts, including having closed-door meetings with lawmakers, filing lawsuits and throwing \$110 million behind a November ballot initiative that could exempt them from AB 5.

A change in gig workers' employment status would mean millions of dollars in added costs for the companies.

Ronald Zambrano, litigation chair at West Coast Employment Lawyers, said the government's stimulus package will help gig workers. But, he said, it'll also assist the companies by letting them pass their financial

responsibility to their workers onto the government.

"They should have been paying into the unemployment system all along and they're hypocrites to now be arguing that these workers aren't employees," Zambrano said. "They're basically saying 'We made a mistake and we need you to fix it.'"

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