

DoorDash Tests Gig-Economy Model With New Hourly Wage Option

Tuesday, July 18, 2023

Michael Schmidt was quoted in *Bloomberg Law* discussing how DoorDash now offers hourly pay for its drivers and what that means for worker classification. DoorDash classifies their workers who provide their services as independent contractors because they are considered in business for themselves, unlike other employees who receive protections under federal employment laws. When determining whether a worker should be classified as an independent contractor or an employee, courts and federal regulators generally use a multi-step assessment that considers various aspects of the working arrangement, including the level of control the worker exercises over their working conditions. "If someone is being paid based on a project or based on something other than an hourly wage, that might look less like an employee and more of a per project, per deal, per transaction kind of arrangement," said Mike. DoorDash is giving their drivers the option if they want to be paid hourly or per delivery. "It's certainly evidence that DoorDash is looking to be flexible with their arrangements and allows the individual workers an opportunity to decide how they want to get paid. The extent that they get to negotiate or they get to have some say in how they're compensated, that in some respects, lends itself more toward independent contractor status than employee status," he said.

To read more of this article, [click here](#).

Related Practice Areas

- Labor & Employment