

California's Prop 22 Passage Allows Tech-Based Companies to Classify Drivers as Contractors

On Election Day 2020, California voters approved Proposition 22 which allows some gig economy companies to continue to classify drivers as independent contractors. These app-based drivers also will be guaranteed minimum earnings, healthcare subsidies, and vehicle insurance, and entitled to anti-discrimination and sexual harassment protections. The full text of the proposition is available [here](#). The passage of Proposition 22 adds yet another exemption to the ABC test for independent contractors in California. The most recent changes to California's ABC test are described [here](#). Companies utilizing independent contractors in California should consult local legal counsel to make sure they are current on the latest developments in this ever-evolving area of the law.

© 2020 Perkins Coie LLP

Authors



[Heather M. Sager](#)

Partner

HSager@perkinscoie.com [415.344.7115](tel:415.344.7115)



[Jill L. Ripke](#)

Senior Counsel

JRipke@perkinscoie.com [310.788.3260](tel:310.788.3260)



Matthew L. Goldberg

Partner

MGoldberg@perkinscoie.com [415.344.7180](tel:415.344.7180)

Explore more in

[Labor & Employment](#) [Corporate Law](#) [Emerging Companies & Venture Capital Law](#)

Related insights

Update

The New Administration's Impact on Retailers

Update

Securities Enforcement Forum DC 2024: Priorities in the Election's Wake