



California Passes Landmark Gig Economy Legislation

By **Dónall Breen & Raoul Parekh** - 11 September 2019

California legislators approved a landmark bill on Tuesday that would require gig economy companies to treat contract workers as employees, a move that will have significant business and employment law implications for organisations in the sector. Under the measure, which would go into effect from 1 January 2020, workers must be designated as employees instead of contractors if a company exerts control over how they perform their tasks or if their work is part of a company's regular business.

Although this bill is confined to California, it may influence other US states and feeds into the broader debate in the UK about the status of gig economy staff (where we have the unique status of 'worker', who enjoy somewhat similar rights to a Californian employee).

Some gig economy companies have proposed there should be a public vote in California over the bill and therefore the implementation of this bill may not yet be guaranteed. However, as it currently stands, up to 1 million people could become employees of gig economy companies in California come the New Year.

See BBC news [here](#).