



TaskRabbit

Make Everyday Life Easier for Everyday People

**Statement to the New York State Senate Standing Committee on
Internet and Technology
Hearing on the Examination of the Gig Economy**

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Dear Committee Members,

My name is Danielle Merida, and I am the General Counsel for TaskRabbit, Inc., a virtual marketplace that connects independent service providers with customers to provide over 45 categories of different services, such as graphic design, event planning, minor home repair, furniture assembly, photography, errands, cleaning, gardening, painting, and various household services. My statement focuses on the impact the Dependent Worker Act (SB6538/AB8343), introduced in June 2019, could have on New Yorkers who find meaningful work and income opportunities through our platform.

By way of background, the independent contractors (“Taskers”) in New York who choose to find work through our platform come from a variety of backgrounds: 34% are artists and musicians; 21% are students; 9% are stay at home parents and 6% are teachers. Taskers have collectively earned over \$60 million since the platform launched in New York in 2011. Taskers decide without any involvement from TaskRabbit:

- What services they are qualified to offer. They can task in one category, all 45+ categories or a portion of them.
- How they provide the services. Taskers control the method and means, often in consultation with their Clients.
- When they provide services (days of the week, times of day, how often to use the platform), whether to split up an assignment into multiple days or visits or to perform the services while doing other tasks for other Clients (either through TaskRabbit or on other platforms).
- What price they will charge for the services they provide. They can charge different rates in different categories and change their rates at any time. Taskers take home 100% of their hourly rate and 100% of their tips. The average hourly rate charged by Taskers in New York is \$40/hour.
- What skills and expertise to develop or to market on the platform.
- What tools, supplies and training, if any, to invest in and use.
- Which Clients they work with.

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- Where they provide services and how far they are willing to travel to provide services.
- Whether they will market and provide their services only on TaskRabbit, or by other means, such as word of mouth, social media, posting flyers around town, advertising on other websites and promoting themselves on other platforms.
- Whether to subcontract the work to other Taskers or hire other Taskers to assist.

While we appreciate New York's efforts to protect workers, we believe the proposed legislation would negatively impact New Yorkers' ability to earn income flexibly through virtual marketplaces and would, in fact, give them less control than they have today through the TaskRabbit platform. In the case of TaskRabbit, we believe we could be affected by the proposed legislation in ways that are perhaps unintended by the legislature. Below are several ways the proposed legislation could be problematic:

- To pay a Tasker, Clients credit cards are charged within 24 hours of a Tasker's submission of the invoice. Clients pay Taskers directly after every task through a third party payment processor. TaskRabbit does not take in the payment to Taskers and therefore does not control the frequency and timing of payments - it is up to the Tasker to invoice their Clients in a timely manner.
- Clients pay by credit card and not cash which is a safety aspect of the platform for all involved.
- Taskers have sole discretion regarding their working hours and hourly rate. TaskRabbit does not have a way to pre-authorize or manage overtime hours or pay.
- Taskers and Clients scope tasks after they are matched and often during a task, making it impossible to predict the exact number of hours a task will take.
- Each Client pays Taskers separately so TaskRabbit does not have the ability to track which clients must pay overtime pay.
- TaskRabbit does not have the ability to recalculate a base hourly rate to incorporate any receipt of cash tips that Taskers receive from Clients. Again, Taskers have always received 100% of tips from their Clients.
- The Wage Theft Prevention Act notice requires stating the rate, but the Tasker sets her rate, and can set a different rate from task to task and change the rate as often as she likes with no involvement from TaskRabbit.
- Taskers decide whether to use tools and equipment for their tasks, purchase tools and equipment to perform their tasks and/or charge a Client for the costs of such tools and equipment or to incur the cost themselves. TaskRabbit cannot be held accountable for compliance with 12 NYCRR 195 based on any deductions made by a Tasker for the cost of tools and equipment.

We agree changes are needed to help improve protections, pay and benefits for workers. We also know that there is a population of people who value the ability to work flexibly - for

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themselves - and choose to do so despite some of the tradeoffs of independent work vs. employment. TaskRabbit provides payment processing, fraud prevention and access to an expanded customer base so those who choose independent work can focus on their skills and growing their businesses. Artists are able to support their craft; stay-at-home parents can earn meaningful income while their kids are at school; students can make money outside of their study hours; small businesses can use the platform to expand their customer base; people close to retirement can find work at a time when many companies won't give them a chance.

We would like to make sure that any law that is enacted understands that there are a variety of business models that work to balance the needs of workers and the clients that hire them. We ask that you take the time to understand the significant differences between platforms to ensure everyday New Yorkers can continue to earn income flexibly if they choose to do so. We also provide this statement as an informative contribution and not intended as a legal opinion for which TaskRabbit reserves all related rights, arguments and defenses.

Thank you for considering our perspective. We are eager and willing to explore solutions to enhance worker protections and benefits, including and especially the development of portable benefits that are tied to the worker (vs. employer). We look forward to working with all stakeholders on improving the balance between worker protection, innovation, and flexibility.

Very Truly Yours,

Danielle Merida
General Counsel

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