

New York City Department of Consumer and Worker Protection

Notice of Adoption

NOTICE IS HEREBY GIVEN, pursuant to the authority vested in the Commissioner of the Department of Consumer and Worker Protection (“DCWP”) by Sections 1043 and 2203(f) of the New York City Charter and Sections 20-1506(a) and (c), 20-1507(c), 20-1521(a) and (d), and 20-1522(a), (b), (c), and (e) of the New York City Administrative Code, and in accordance with the requirements of Section 1043 of the New York City Charter, that the Department amends Subchapter H of Chapter 7 of Title 6 of the Rules of the City of New York.

This rule was proposed and published on November 7, 2025. A public hearing was held on December 8, 2025, and comments regarding the rule were received.

Statement of Basis and Purpose of Final Rule

The Department of Consumer and Worker Protection (“DCWP” or “Department”) adopts these rules to:

- Implement certain provisions of Local Law 123 of 2025, which establishes protections for contracted delivery workers;
- Implement Local Law 124 of 2025, which establishes minimum pay protections for grocery delivery workers;
- Require retention of certain records necessary for the enforcement of Local Laws 107 and 108 of 2025, which require third-party food delivery services and third-party grocery delivery services to provide customers with an opportunity for tipping food delivery workers and grocery delivery workers;
- Require retention of certain records necessary for the enforcement of Local Law 113 of 2025, which establishes rights to written pay statements for contracted delivery workers; and
- Reflect new and amended definitions in Local Laws 95, 123, and 124 of 2025.

Background

In 2020 and 2021, the New York City Council enacted a package of laws that established requirements for third-party food delivery services and third-party courier services and established various protections for their food delivery workers. *See* NYC Admin. Code § 20-1501 (defining “food delivery worker,” “third-party food delivery service,” and “third-party courier service”). Among other things, these laws established new protections for food delivery workers, ensuring they can set limits on trip distance and route, are given certain information about trips before accepting, and are provided with delivery bags. Local Law 115 of 2021 required DCWP to study the pay and working conditions of food delivery workers and, based on the results of its study, to establish a method for determining the minimum payments that third-party food delivery services and third-party courier services (collectively, “food delivery services”) must pay to food delivery workers. To implement Local Law 115 of 2021, DCWP completed a study, published a report titled *A Minimum Pay Rate for App-Based Restaurant Delivery Workers in NYC* (“2022 Report”), proposed a rule, proposed a revised rule, and adopted a final rule on June 12, 2023 (“the 2023 Rule”), codified at Chapter 7, Subchapter H of Title 6 of the Rules of the City of New York, which sets out requirements related to recordkeeping, minimum pay, offer

disclosures, trip distance and route limits, and other matters. The 2022 Report found that nearly all food delivery workers were retained by one or more of the four large food delivery services (Uber Eats, DoorDash, Grubhub, and Relay Delivery). The 2023 Rule applied to all of them equally. However, because of interim relief granted by state courts in response to Article 78 actions filed by Uber Eats, DoorDash, Grubhub, and Relay Delivery, DCWP did not begin enforcement of the Minimum Pay Rule until December 2023 as to Uber Eats, DoorDash, and Grubhub, and until July 2025 as to Relay Delivery.

The 2023 Food Delivery Worker Minimum Pay Rule

The 2023 Rule established a minimum pay rate, and provides for two methods by which a food delivery service may apply it in calculating minimum pay: the Standard Method and the Alternative Method. A food delivery service may choose the Alternative Method or the Standard Method.

Under the Standard Method, a food delivery service's payment to each delivery worker, individually, must meet or exceed the minimum pay rate multiplied by the sum of the individual worker's own trip time during the week ("individual requirement"); and the food delivery service's total payments to all its delivery workers, together, must meet or exceed the minimum pay rate multiplied by the sum of all workers' total trip time and on-call time during the week ("aggregate requirement"). "Trip time" is the time between acceptance of a trip offer and its completion or cancellation and "on-call time" is the time in which a worker is connected to a food delivery service in a status where they can receive or accept trip offers, excluding "trip time."

Under the Alternative Method, food delivery workers have a right to higher pay for their trip time, but no additional right to compensation for their on-call time. A food delivery service must pay each food delivery worker individually for trip time at no less than the alternative minimum pay rate. The alternative minimum pay rate is calculated by dividing the minimum pay rate by 60%. The 60% figure reflects the average weekly utilization rate from January 2021 through June 30, 2022 for Uber Eats, Grubhub, and DoorDash, combined. A food delivery service's utilization rate is the amount of "trip time" workers engage in for such food delivery service, divided by their workers' total connected time, including both "trip time" and "on-call time."

Currently, an app may choose the Alternative Method for a pay period only if it has a utilization rate above 53%, with limited exceptions. The 2023 Rule did not apply this utilization floor immediately, however; it provided that food delivery services were not required to comply with the minimum utilization rate requirement for any pay periods that began prior to April 1, 2024, a period of approximately 10 months from the 2023 Rule's publication date on June 12, 2023. Thereafter, for any pay period that began on or after April 1, 2024, a food delivery service could use the alternative method only for any pay period in which its utilization rate was greater than or equal to 0.53 and in up to two pay periods per year in which its utilization rate was less than 0.53.

Under both the Standard Method and Alternative Method, a food delivery service assumes financial responsibility for time that it permits workers to seek and fulfill delivery opportunities on the food delivery service's platform, including all trip time and on-call time. In the Standard Method, this result is achieved because food delivery services must pay for all trip time and aggregate on-call time. In the Alternative Method, workers are paid a higher rate for trip time that indirectly compensates them for uncompensated on-call time. The Alternative Method's incorporation of a utilization floor also ensures that workers who are only paid for

trip time have adequate opportunities to pick up trips to earn income and do not spend excessive time on-call waiting for trip offers.

At present, the 2023 Rule covers five third-party food delivery services (Uber Eats, DoorDash, Grubhub, Fantuan, and HungryPanda) and one third-party courier service (Relay Delivery). All five of the third-party food delivery services covered by the 2023 Rule facilitate deliveries from grocery and convenience stores, in addition to restaurant delivery. As a result, each of these delivery services are both a third-party food delivery service and a third-party grocery delivery service under Local 124. (See definition of “third-party grocery delivery service”).

To inform future rulemaking, and to monitor compliance, the 2023 Rule required food delivery services to submit reports to DCWP on a monthly basis that include aggregate information about food delivery worker hours and earnings, the number of deliveries performed, and the fees charged to consumers and merchants, among other topics (“monthly reports”). DCWP publishes industrywide statistics derived from these reports on its website quarterly. (See <https://www.nyc.gov/assets/dca/downloads/xlsx/Restaurant-Delivery-App-Data-Quarterly.xlsx> for the most current release).

Impacts of the 2023 Minimum Pay Rule

As summarized in Table 1, data from the monthly reports submitted by food delivery services to DCWP shows that the 2023 Rule has been beneficial to the public. Table 1 compares food delivery services’ self-reported metrics from the second quarter of 2025 (April to June) – the most recent metrics DCWP has published – to food delivery services’ self-reported metrics from the third quarter of 2023 (July to September), which is the last full quarter before food delivery services began paying the minimum pay rate. Table 1 shows that since DCWP began enforcing the 2023 Rule in December 2023, worker pay has increased substantially, the fees food delivery services charge to consumers and merchants have risen only modestly, and the number of deliveries has grown. Food delivery services are also operating more efficiently, as indicated by less on-call time and reduced mark-ups over their costs of compensating food delivery workers. Highlights from Table 1 include the following:

- Pay per hour increased from \$5.05 to \$21.04, an increase of \$15.99 (317%);
- Total pay per week increased from \$9.4 million to \$27 million, an increase of \$17.6 million (187%);
- The fees charged to consumers and merchants increased by \$2.06 per delivery and \$0.52 per delivery, respectively.
- The number of deliveries per week increased from 2,632,903 to 3,270,585, an increase of 637,682 (24%);
- On-call time decreased from 1,050,727 hours per week to 260,349 hours per week, a decrease of -790,378 hours (75%);

- Trip time increased from 814,692 hours per week to 1,026,401 hours per week, an increase of 211,709 hours (26%);
- The difference between the fees food delivery services charge to consumers and merchants and the amount they pay to food delivery workers per delivery (“gross margin”) decreased from \$6.48 to \$4.37, a decrease of \$2.11 (33%).

Table 1: Average Weekly Workers, Hours, Earnings, Deliveries, Fees and Costs at Food Delivery Services Before and After DCWP Began Enforcing the Minimum Pay Rule in December 2023

	2023 Q3	2025 Q2	Change	Pct. Change
Number of Workers				
Workers performing a trip	75,865	71,404	-4,461	-6%
Workers not performing a trip	31,066	2,446	-28,620	-92%
Hours				
Total hours	1,865,419	1,286,750	-578,669	-31%
On-call hours	1,050,727	260,349	-790,378	-75%
Trip hours	814,692	1,026,401	211,709	26%
Average hours	17.4	17.4	0.0	0%
Earnings				
Total earnings	\$19,548,765.58	\$30,918,020.03	\$11,369,254.45	58%
Total pay	\$9,425,565.18	\$27,067,105.83	\$17,641,540.65	187%
Total tips	\$10,123,200.40	\$3,850,914.21	-\$6,272,286.19	-62%
Earnings per hour	\$10.48	\$24.03	\$13.55	129%
Pay per hour	\$5.05	\$21.04	\$15.99	317%
Tips per hour	\$5.43	\$2.99	-\$2.44	-45%
Deliveries				
Total deliveries	2,632,903	3,270,585	637,682	24%
Deliveries per hour	1.41	2.54	1.13	80%
Fees and Costs				
Fees per delivery	\$10.06	\$12.64	\$2.58	26%
Charged to merchant	\$5.14	\$5.66	\$0.52	10%
Charged to consumer	\$4.92	\$6.98	\$2.06	42%
Pay per delivery	\$3.58	\$8.28	\$4.70	131%
Margin per delivery (fees - pay)	\$6.48	\$4.37	-\$2.11	-33%

Source: DCWP analysis of “Restaurant Delivery App Aggregated Tables” (Available at:

<https://www.nyc.gov/assets/dca/downloads/xlsx/Restaurant-Delivery-App-Data-Quarterly.xlsx>; Last Update: 09/2025). “Number of Workers” is the number of food delivery workers who connected to a food delivery service’s platform in a week. “Workers performing a trip” is the number of such workers who accepted at least one trip offer with a pickup or drop-off location in New York City in a week. “Workers not performing a trip” is the number of such workers who had on-call time during a week without ever accepting a trip with a pickup or drop-off location in New York City in the week.

Also evident in Table 2 is that the number of food delivery workers who connect to a food delivery service’s platform without finding a trip offer they are willing to accept has fallen sharply, along with a modest reduction in the average number of food delivery workers who perform trips in a week. Further, the public should be aware that this modest reduction may only reflect a decline in the frequency with which food delivery workers work for multiple food delivery services in the same week, rather than a true drop in the total number of

workers performing trips. (See discussion of “multi-apping” at <https://www.nyc.gov/assets/dca/downloads/xlsx/Restaurant-Delivery-App-Data-Quarterly.xlsx>).

Proposed Rule

To implement Local Laws 95, 107, 108, 113, 123, and 124 of 2025, DCWP published a proposed rule in the City Record on November 7, 2025 (“Proposed Rule”).

The Proposed Rule proposed the following amendments:

- Amend section 7-801, subdivision (a) to add new definitions and to amend or remove certain defined terms;
- Incorporate by reference definitions that are now in the Administrative Code in section 7-801, subdivision (b);
- Incorporate revised defined terms throughout the text of the rule;
- Amend section 7-802 to address coverage under Title 20, Chapter 15;
- Amend section 7-803 to clarify contracted delivery workers’ protections from retaliation;
- Amend section 7-804 to clarify delivery services’ requirement to provide contracted delivery workers with information about their rights;
- Amend section 7-805 to specify delivery services’ recordkeeping and reporting requirements;
- Amend section 7-806 to clarify food delivery workers’ delivery distance and route protections;
- Amend section 7-807 to clarify contracted delivery workers’ rights to timely payment;
- Amend section 7-808 to clarify contracted delivery workers’ rights to insulated food delivery bags; and
- Amend section 7-810 to address dates in the past or obsolete requirements.

In addition, in order to implement Local Law 124, which takes effect January 26, 2026, DCWP proposed to amend section 7-810 to incorporate Local Law 124’s requirement that third-party grocery delivery services “make payments to grocery delivery workers retained by such service[s] that meet or exceed the minimum pay requirements for food delivery workers[.]” N.Y.C. Administrative Code § 20-1522(e). DCWP may, but is not required to, establish by rule a method for applying the food delivery worker minimum pay requirements to grocery delivery workers “that is tailored to the circumstances of such workers, including variations in the working conditions of such workers as compared to the working conditions of food delivery workers.” N.Y.C. Admin. Code 20-1522(e). For purposes of brevity, DCWP incorporates by reference the legislative findings set forth in Section 1 of Local Law 124.

The Proposed Rule was the subject of a public hearing held on December 8, 2025. DCWP received dozens of comments on the Proposed Rule during the comment period from contracted delivery workers, including food delivery workers and grocery delivery workers, delivery services, including Instacart, Shipt, DoorDash, Grubhub, and Uber Eats, worker advocates, transportation safety advocates, industry advocates, researchers, elected officials, and consumers, among others. In addition to the December 8, 2025 public hearing, DCWP also held a recorded meeting with several Instacart workers on November 20, 2025, during the notice and comment period, at the workers’ request. DCWP considered all comments received. Some commenters made comments that were general in nature, without specific application to any section of the Proposed Rule or were out of scope of this rulemaking, such as comments in support of legislation related to delivery service deactivations.

Final Rule

After considering the comments received, DCWP made the following modifications to this Final Rule:

- Further amendment to Section 7-801, to add definitions for third-party courier service, third-party food delivery service, and third-party grocery delivery service;
- Further amendment to Section 7-802, to repeal the section;
- Further amendment to Section 7-805, to remove, add, and amend certain recordkeeping and reporting requirements;
- Further amendment to section 7-806, to clarify delivery distance and route requirements for food delivery services and offer disclosure requirements for delivery services; and
- Further amendment to Section 7-810, relating to the minimum payments a newly-covered third-party grocery delivery service must make to grocery delivery workers.

The following sections summarize DCWP's deliberations on comments received from the public on the Proposed Rule.

Amendments to section 7-810 (Minimum pay)

The Final Rule retains the two methods for calculating compensation to workers (the Standard Method and the Alternative Method), with two adjustments. Specifically, the Final Rule incorporates: 1) a temporary exception to the aggregate requirement of the Standard Method for a third-party grocery delivery service that is not a third-party food delivery service or third-party courier service ("newly-covered grocery delivery service"), for pay periods that begin prior to July 1, 2026; and 2) a temporary exception to the utilization floor of the Alternative Method for a newly-covered grocery delivery service, for pay periods that begin prior to November 1, 2026.

Comments

Instacart and Shipt submitted comments proposing a delayed effective date for the minimum pay requirements and urging DCWP to study the industry and issue a new minimum pay method, or, in the alternative, adjust the current minimum pay methods. Specifically, Instacart and Shipt proposed eliminating the aggregate requirement of the Standard Method and eliminating or delaying the utilization floor of the Alternative Method. In addition, Instacart proposed a three-year phase-in of the minimum pay rate, and Shipt proposed that trip time begin upon arrival at the retailer for newly-covered grocery delivery services "like Shipt that offer advanced offers with flexible start times."

Various other commenters objected to applying the current minimum pay rule to Instacart and Shipt, and expressed concerns about the Proposed Rule's potential impacts on workers, consumers, and retailers. Worker and street safety advocates, as well as labor policy experts and researchers expressed broad support for the Proposed Rule, including the proposed minimum pay requirements for newly-covered grocery delivery services, though some also argued that higher pay than that provided in the Proposed Rule would also be appropriate.

Workers who self-identified as Instacart or Shipt shoppers submitted written and oral comments describing their perspectives and experiences working for Instacart and Shipt. Additional workers described their experiences as delivery workers performing grocery delivery but did not specify which app they performed those services for, and so may have been referencing Instacart, Shipt, DoorDash, Grubhub, Uber Eats, Fantuan, HungryPanda, or another app. Workers expressed both support and concern about the minimum pay requirements in the Proposed Rule, including concerns about losing the ability to log on to the Instacart and Shipt platforms without restrictions. Some workers proposed a minimum pay rate of \$30 per hour. On November 20, 2025, DCWP interviewed three Instacart workers who had emailed DCWP on November 7, 2025, to request a meeting about the Proposed Rule. In the interview, the three Instacart workers described their perspectives and experiences working for Instacart.

Response

DCWP considered all comments received, including the amendments to the proposed rule that were recommended by stakeholders, and determined that the only appropriate adjustments at this time are the temporary exceptions to the Standard Method's aggregate requirement and Alternative Method's utilization floor. The Department will monitor data that is reported by the delivery services and will exercise its authority to promulgate a new rule if DCWP determines that an amendment to any minimum payment standard is warranted or necessary.

Delaying Implementation for a Study of Third-Party Grocery Delivery Services

Instacart and Shipt's comments asked DCWP to conduct a study and issue a report before requiring them to pay a minimum pay rate, arguing that since DCWP studied food delivery services in 2022, it should do so again here. DCWP declines to adopt this recommendation. Local Law 124 does not require completion of a study and report like the ones completed and published in 2022. Local Law 124 also does not contemplate that DCWP should delay enforcement or implementation of the minimum pay requirements while continuing to further study the working conditions of grocery delivery workers.

Throughout the rulemaking process, DCWP has considered the working conditions of grocery delivery workers as compared to the working conditions of food delivery workers, including variations in policies and procedures related to trip offers or assignments and worker schedules. DCWP met with Shipt and Instacart multiple times in 2025 to learn more about their business models and their concerns about how minimum pay requirements would apply to their workers. DCWP read the detailed comments that Instacart and Shipt submitted during the notice and comment period and engaged with their recommendations, as discussed herein. DCWP met with Instacart workers on November 20, 2025, to learn more about their working conditions. DCWP also studied publicly available information about the working conditions of grocery delivery workers. Further, as noted above, all five of the third-party food delivery services covered by the current minimum pay rule (Uber Eats, DoorDash, Grubhub, Fantuan, and HungryPanda) facilitate deliveries from grocery and convenience stores, therefore their workers are both food delivery workers and grocery delivery workers. DCWP studied the pay and working conditions of this subset of grocery delivery workers before it published its report in November 2022, and is familiar with the working conditions of grocery delivery workers through DCWP's receipt of worker complaints and ongoing monitoring of data received from food delivery services.

After considering the comments and input received from a wide range of available sources, as discussed above, DCWP has determined that the Standard Method and Alternative Method may be used to calculate minimum payments for grocery delivery workers, albeit with temporary exceptions to the Standard Method's aggregate requirement and Alternative Method's utilization floor for newly-covered grocery delivery services. The conclusions set forth herein are supported by facts in the Administrative Record.

Delayed Implementation of the Aggregate Requirement of the Standard Method

Shipt and Instacart asked DCWP to eliminate or delay requirements related to compensation for on-call time. Instacart's comment suggested that DCWP eliminate the aggregate requirement of the Standard Method to account for its "open-market" model. Alternatively, Instacart suggested that DCWP delay the application of any utilization floor for at least ten months and delay enforcement by six months. Shipt asked DCWP to exclude on-call time from the Standard and Alternative Methods for grocery delivery platforms that operate on a flexible, no-schedule, no-penalty, or open-claim basis. Shipt also requested that DCWP delay implementation of the pay standard from January 26, 2026, to January 1, 2027 to provide companies time to make any needed significant technological changes.

Taking into account variations in the working conditions of grocery delivery workers as compared to the working conditions of food delivery workers, including variations in policies and procedures related to trip offers or assignments and worker schedules, DCWP determined that it would be appropriate to make temporary adjustments to the Standard Method and Alternative Method for newly-covered grocery delivery services, such as Shipt or Instacart. These companies need time to make adjustments to their platforms to properly record on-call time and limit excessive on-call time.

The Final Rule creates a temporary exception to the aggregate requirement of the Standard Method for newly-covered grocery delivery services for pay periods that begin prior to July 1, 2026. Specifically, for pay periods that begin prior to July 1, 2026, a newly-covered grocery delivery service, such as Instacart or Shipt, must only make payments to its workers for individual trip time that meet the Standard Method's individual requirement, currently \$21.44 per hour. For pay periods that begin on or after July 1, 2026, such a grocery delivery service must make payments to its grocery delivery workers that also meet the aggregate requirement of the Standard Method. The hourly rate that will apply to the first pay period on or after April 1, 2026, will be announced by February 1, 2026, in accordance with § 7-810(i).

DCWP determined that this temporary exception was warranted because Instacart and Shipt indicated that they need time to implement the Standard Method, including by taking measures to avoid excessive on-call time. The transition period leading up to July 1, 2026, will give Shipt and Instacart time to adjust their operations to comply with the Standard Method's aggregate requirement, which requires proper tracking of on-call time. As explained further below, DCWP determined that it would not be appropriate to exempt newly-covered grocery delivery services from the requirement to pay for workers' on-call time (which already applies to food delivery services that perform grocery delivery), therefore this is a temporary exception. Based on DCWP's experience with food delivery services, five months of implementation time is sufficient.

The Final Rule also delays the requirement that newly-covered grocery delivery services satisfy a utilization floor in order to be eligible to use the Alternative Method. Food delivery services were afforded almost 300

days from the date of the publication of Notice of Adoption of the 2023 Rule until they were required to satisfy the utilization floor. The Final Rule provides approximate parity with the 300 days afforded to food delivery services.

The exceptions afforded by the Final Rule are adequate. DCWP determined that Shipt and Instacart will be able to comply with the Final Rule as of its effective date in part because they are already subject to and operating under the California Proposition 22 pay standard, which requires them, *inter alia*, to record and pay for “engaged time.” The California definition of “engaged time” is the same, in sum and substance, as the definition of trip time in the Final Rule (the span of time between acceptance of a trip offer through completion or cancellation of the trip). Accordingly, Shipt and Instacart already have the ability to accurately track, record, and pay workers for trip time, and will be able to comply with the Standard Method’s individual requirement as soon as the Final Rule goes into effect.

As of the first pay period after July 1, 2026, all newly-covered grocery delivery services, including Shipt and Instacart, must comply with the Standard Method in full, including both the individual requirement and the aggregate requirement, which includes paying for on-call time. If a newly-covered grocery delivery service is not yet ready to comply with the aggregate requirement of the Standard Method at that point, it may switch to the Alternative Method, which requires payment only for trip time. As explained above, such a service will not have to comply with the utilization floor until on or about November 1, 2026. This on-ramp gives newly covered grocery delivery services time to adjust to all the requirements under the Standard Method and Alternative Method.

Eliminating Compensation for On-Call Time

Shipt and Instacart asked DCWP to eliminate requirements related to compensation for on-call time. In their comments, Instacart and Shipt argued, among other things, that their “open market” and “open-claim” systems, in which multiple workers may view multiple trip offers at once, do not require workers to engage in on-call time. Instacart also claimed that its workers “do not have to wait to receive an offer or assignment[.]” and “there is no equivalent to ‘on-call’ time.” Shipt claimed that on-call time is “irrelevant to the experience of shoppers on Shipt’s platform” and that its “shoppers are not spending a significant portion of their time waiting for or reviewing offers.”

DCWP evaluated these arguments by comparing the trip offer systems that food delivery services commonly use to the trip offer systems that Instacart and Shipt use. When a worker connects to the Uber Eats, DoorDash, or Grubhub platforms, the worker receives trip offers sequentially, one at a time. For each trip offered, a worker has a few seconds to accept or decline the trip offer before it expires. If the worker does not accept the offer, they must wait until the delivery service makes a subsequent offer. By contrast, when a worker connects to Instacart, the worker may receive a listing of multiple available trips that they can scroll through. These are not exclusive offers, therefore a trip may disappear from the display if another worker accepts it first. As new trips are released by Instacart, these trips may be added to the listing of trips available to a worker if the worker refreshes the page view within the app. Similarly, when a worker opens up the Shipt Shopper app, they are presented with two listings of available trips that they may claim. One view, “Available Orders,” lists available trips within the delivery windows and geographic zones selected by the worker. The other view, “Open Metro,” shows additional available orders within the worker’s metropolitan area. As with Instacart, offers on Shipt may disappear when claimed by another worker, and workers can refresh their page view within the app to see new

offers. Like food delivery services, Instacart and Shipt use internal rating systems to incentivize or discourage certain worker behavior. They reduce workers' internal ratings for conduct they wish to discourage, such as cancelling trips or delivering an order late. A low internal rating can result in less access to trip offers or deactivation from the platform.

Instacart workers detailed how they obtain, evaluate, and attempt to claim trip offers in DCWP's November 20, 2025 interview. They explained that they must quickly evaluate several factors about trip offers in the app to decide whether the amount Instacart pays for each trip plus the tip is worth it. These factors include: how much time a particular trip will take, the distance to travel, whether shopping is required in addition to pick-up and delivery, and the weight of certain items in the order. Workers must act quickly to accept a desirable trip offer because Instacart shows trip offers to multiple workers simultaneously, and a worker could lose an earning opportunity if they don't act quickly enough. Workers may be more likely to get trip offers when they are closer in location to multiple stores Instacart serves or stores that are popular on Instacart. As a result, workers tend to drive to these locations to begin the workday and travel back to these locations after completing a delivery, and they are not compensated for the time spent traveling to those locations or waiting at those locations. These workers described waits of between 10-15 minutes for acceptable trip offers in slow areas and more frequent access in busy areas. The workers described working full-time or near-full-time schedules of between approximately 30-55 hours per week and relying on Instacart as their main or sole source of income.

Comments submitted by other workers during the comment period also emphasize that the time they spend waiting for and evaluating trip offers is an unavoidable part of the job. For example, comments received reflected the following statements:

- “Instacart is my full-time job, but earnings change without warning. I often wait 20–30 minutes between batches without pay.”
- “I work long hours to support my children, but Instacart often lowers batch pay or keeps drivers waiting without compensation.”
- “It is essential that ... we are also paid for the time we are logged in and available, because our availability is a crucial part of the service that makes the platform possible. Many times we work extra hours or wait for orders without receiving any compensation, which demonstrates the need for a minimum wage that reflects the true value of our work.”
- “[I]t's fair to ... be compensated for the time we are connected and available, since being ready for orders is a key part of the job.”

DCWP finds that there are no material differences between the working conditions of workers for food delivery services and workers for newly-covered grocery delivery services that would justify newly-covered grocery delivery services not paying for on-call time. Like food delivery workers, during their on-call time grocery delivery workers:

- Travel to areas where trip offers are more likely to be available.
- Travel between drop-off locations and the next pick-up location.
- When receiving trip offers, must spend time evaluating whether a particular trip offer is worth the time, expense, and effort in light of the compensation and tip the platform offers.

- Must wait to receive trip offers from the app, watch the app to view trip offers as they come in, and act quickly to accept a trip offer before losing an earning opportunity.
- Get better access to work opportunities by meeting performance standards, such as maintaining a low trip cancellation rate and accepting trip offers frequently.

DCWP finds no factual basis for Instacart’s and Shipt’s claims that their workers do not engage in on-call time. Workers must engage in on-call time in order to obtain paying work on these platforms, and it is not possible for a worker to review orders available on Instacart’s or Shipt’s platforms without first engaging in on-call time. Section 20-1521(d) of the code, which requires delivery services to disclose trip offer information to workers, also contemplates that workers will spend some amount of time evaluating offer disclosures before acceptance. Ongoing assessment of trip offers during on-call time is intrinsic to “gig work” with third-party restaurant and grocery delivery apps and fundamental to how workers manage the earnings uncertainty created by these services’ business model.

Newly-covered grocery delivery services also derive financial benefit from workers’ on-call time. Workers’ on-call time allows Shipt and Instacart to provide for high service availability to their customers, ensuring that enough workers are on the platform and near stores to handle orders within moments of an offer on its platform. Workers’ uncompensated time spent traveling to be near these store locations ensures that Instacart and Shipt can reliably offer delivery of the order within the customer’s chosen window of time.

Rate Phase-in

In its comment, Instacart requested that DCWP phase in the minimum pay rate over time. Specifically, Instacart requested that DCWP establish a phase-in of the minimum pay rate as follows: \$19.23 for 2026, \$20.29 for 2027, and \$21.35 for 2028. Instacart appears to be referring to the minimum rates set forth in the Standard Method (§ 7-810(b)). The current minimum pay rate under the Standard Method is \$21.44 per hour (not including tips) for an individual worker’s trip time. In other words, Instacart proposes that in 2026, Instacart workers should be paid \$2.21 less per hour for their trip time than food delivery workers, and in 2028, Instacart workers would still be entitled to less pay per hour for their trip time than food delivery workers are entitled to today. On the other hand, many workers expressed that the minimum pay rate should be \$25-\$30 per hour.

DCWP declines to adopt either of these recommendations. Local Law 124 does not contemplate a lower minimum pay rate for grocery delivery workers; it requires newly-covered grocery delivery services to make payments to their grocery delivery workers that meet or exceed the minimum pay requirements for food delivery workers established by DCWP. Furthermore, analysis of the circumstances of grocery delivery workers would not support adoption of a lower rate.

DCWP’s rationale for retaining each element of the rate is as follows:

Base Pay Component

The base pay component is similar to the compensation food delivery workers would receive if they were classified as employees under state and City law and was based, in part, on the minimum payment standard for high-volume for hire vehicle service drivers, which is set by the Taxi and Limousine Commission.

Grocery delivery workers, like food delivery workers, have substantially the same need for the base pay component. Like all low-wage workers in NYC, grocery delivery workers and food delivery workers must cover the costs of housing, food and other basic necessities. Adopting the same base pay amount for grocery delivery workers builds on DCWP's existing determination of appropriate compensation for low-wage independent contractors and sets a clear and consistent standard for independent contractors working for apps in related industries in NYC. Accordingly, DCWP made no changes to this component of the minimum rate.

Workers' Compensation Component

The purpose of the workers' compensation component is to compensate food delivery workers for expected income loss and medical expense associated with on-the-job injuries that they may experience. DCWP calculated the workers' compensation component based on the actuarial value of the workers' compensation coverage received by employed restaurant delivery workers in New York State and included an adjustment to reflect differences in how federal Medicare and Social Security contributions apply to independent contractor income and employee benefits. Commenters have not provided any evidence that grocery delivery workers, such as Shipt or Instacart shoppers, have access to traditional workers' compensation, as workers classified as employees in New York State do. Accordingly, DCWP made no changes to this component of the minimum rate.

Expense Component

The purpose of the expense component is to compensate food delivery workers for necessary expenses they incur to perform delivery work. The comments do not indicate that grocery delivery workers' expenses are lower than food delivery workers' expenses. If anything, they are likely to be higher.

The expense component of the minimum pay rate compensates food delivery workers for necessary expenses they incur to perform delivery work. DCWP calculated the current expense component based on average hourly expenses for workers who perform deliveries using an electric bicycle ("e-bike") (\$2.70 per hour), less the \$0.44 cost of traffic or parking tickets. The result was an expense component of \$2.26, which has since been adjusted for inflation. 2022 Report at 18-20. DCWP's study found that approximately 44% of food delivery workers used cars and 56% of food delivery workers used non-car modes of transport, principally e-bikes. 2022 Report at 14. Grocery delivery workers may be more likely to use cars than food delivery workers, including because of the bulk and weight of the items they deliver. In the 2022 Report DCWP found that car drivers' expenses were \$4.86. *Id.* Subtracting the \$1.37 average cost of tickets for car drivers, the corresponding expense amount is \$3.49, which is \$1.23 more than the e-bike expense component. DCWP's rationale in 2022 for basing the rate on e-bike expenses was that performing delivery on e-bikes was the most common and economical means of making most restaurant deliveries. However, since it is often not possible to deliver groceries using an e-bike, there likely is a basis for increasing the vehicle expense component of the minimum pay rate for grocery delivery workers. DCWP does not yet have enough information about how often grocery delivery workers use cars versus e-bikes to justify an upward adjustment to expense component now. Accordingly, DCWP made no changes to this component of the minimum rate.

Multi-apping Adjustment

DCWP does not have adequate data from Instacart or Shipt to determine that a change to the multi-apping adjustment would be appropriate, nor do the comments received support such a change. Accordingly, DCWP made no changes to this component of the minimum rate.

Trip Time Beginning at Arrival at the Retailer

DCWP considered Shipt's proposal to revise the definition of "trip time" so that it does not begin until a worker begins shopping for an order. DCWP declines to adopt this proposal because grocery delivery workers, like food delivery workers, must start moving towards the pick-up location upon accepting a trip offer, and traveling to a pick-up location is a necessary part of the work that Shipt and Instacart workers perform for these services. Shipt argues that this time shouldn't be compensable because "a shopper may run personal errands, finish existing work, etc." However, if a worker is finishing a prior delivery for Shipt, such as dropping off groceries, then the time is trip time on the prior trip. In addition, Shipt's data suggests that there is not usually time to "run personal errands" after accepting a trip offer. Shipt states:

- More than 40% of orders are claimed by shoppers more than 1 mile from the store and more than 20% are claimed by shoppers more than 3 miles from the store.
- For 50% of orders claimed, a shopper does not begin shopping for at least 30 minutes. (Although Shipt did not say so, this implies that for the other 50% of orders claimed, the shopper begins shopping in fewer than 30 minutes.)

If a worker is more than 1-3 miles away from the shopping location 40% of the time, it stands to reason that the longer distances in that group account for the 50% of trips in which the worker did not begin shopping for 30 or more minutes, and that the passage of time occurred because the worker was driving to the store.

Like food delivery workers, grocery delivery workers must deliver an order within a timeframe that the delivery service sets. Shipt also provides short delivery windows for its trips. Shipt's comment states that it offers more than 80% of trips to workers 2-4 hours before the expected delivery. To complete an order, a worker must travel to the store, park, walk the store to find the items the customer ordered, contact them about any substitutions, wait in line to check out, bag the items, take them to the car, drive to the customer's location, walk the bags to the customer's door, and deliver them. A delivery deadline of 2-4 hours from trip acceptance, where the worker is often 1-3 miles away from the pickup, will often not leave a worker time to run personal errands or do other non-work tasks. As discussed above, Shipt and Instacart condition worker ratings, in part, on how often the worker delivers orders on-time.

In addition, Shipt pays workers in California for travel time to the retailer under the California minimum pay standard and does not explain why it cannot do so under the Proposed Rule. Shipt notes on its web page, "Proposition 22 FAQ for California," that "Proposition 22 establishes guaranteed earnings that factor in driving time, shopping time, and mileage, *including when you begin driving directly to a store to complete an order.*" (emphasis added). Shipt developed settings to reduce excessive travel time to stores in California. See Proposition 22 FAQ for California ("To help ensure efficient and on-time deliveries, shoppers will not be able to claim orders if they're too far away from the store location. Remember that you can update your available zones on the schedule page in the app to make sure you only receive offers that are in proximity to your

location.”) Shipt could apply similar settings for trip time under the Final Rule, and suggested in its comment that it plans to do so, as further discussed below.

Claims about Impact on Workers, Consumers, and Retailers

DCWP considered comments from Shipt and Instacart stating that if the Final Rule retains the aggregate requirement of the Standard Method, they will change their platform in ways that limit on-call time, similar to the way in which the food delivery services that perform grocery delivery responded to the 2023 Rule. Those services adapted to the 2023 Rule principally by providing workers with flexibility in choosing what scheduled shifts to select, but limiting unscheduled access to their platforms. Shipt’s comments also suggested that the Proposed Rule would lead it to release available trips to workers with less lead time and to impose new geographic restrictions on access to trips, among other changes. As discussed in the background section of this statement of basis and purpose, since DCWP began enforcing the 2023 Rule, workers’ pay per hour and total pay have both increased dramatically, and the number of deliveries they perform has also increased. Though there was a reduction in the average number of workers accessing food delivery platforms each week, this was overwhelmingly caused by a decrease in the number of workers who log on without receiving a trip offer that they are willing to accept (*see* Table 1, above). Workers did not experience losses in paid work time; the data shows that the reductions occurred in uncompensated time. The incentives that the 2023 Rule provided to make more efficient use of workers’ time have been important in facilitating these positive outcomes. Further, the New York City Council considered the impacts of the 2023 Rule before passing Local Law 124, which requires that newly-covered grocery delivery services meet or exceed the minimum pay requirements for food delivery workers and specifically provides that the method for calculating minimum payments for food delivery workers set forth in section 7-810 of the 2023 Rule may be used to calculate minimum payments for grocery delivery workers. In DCWP’s judgment, the benefits of the Final Rule’s requirement that newly-covered grocery delivery services assume financial responsibility for all the trip time and on-call time on their platforms outweigh the downsides of any operational changes the newly-covered grocery delivery services may adopt to ensure such time is used efficiently.

DCWP considered Instacart’s comment that the Proposed Rule will harm workers by causing a reduction in tips. While tipping decreased after the 2023 Rule, this was because of changes food delivery services made to their consumer-facing interfaces that made it less convenient to tip. And despite reduced tipping, workers’ total earnings inclusive of both pay and tips increased substantially after the 2023 Rule. Local Laws 107 and 108, which will take effect on the same date as Local Law 124, require third-party food delivery services and third-party grocery delivery services to provide customers with tipping functionality that meets minimum standards. As a result, the reduction in tipping that followed the 2023 Rule is unlikely to occur again. DCWP determined that Instacart’s claim that the Proposed Rule will lead to a reduction in tips does not justify providing for lower pay to Instacart’s workers.

DCWP considered Instacart’s comment that the 2023 Rule led food delivery services, including those that are also third-party grocery delivery services, to increase the fees they charge to consumers and merchants, and that the Proposed Rule would similarly cause newly-covered grocery delivery services to increase their fees. DCWP determined that it would be inappropriate and contrary to the legislative intent to permanently exempt the newly-covered grocery delivery services from the same minimum pay requirements that already apply to other

third-party grocery delivery services for purposes of providing such newly-covered grocery delivery services with a pricing advantage against their direct competitors. Furthermore, the statistics that Instacart presented concerning changes in fees and industry growth are misleading. As discussed in the background section of this statement of basis and purpose, since DCWP began enforcing the 2023 Rule, the fees charged to consumers and merchants increased by \$2.06 per delivery and \$0.52 per delivery, respectively, and total deliveries increased by 24%.

Amendments to section 7-801 (Definitions)

The Final Rule adopts the Proposed Rule’s amendments to Sections 7-801, with modifications to clarify that “third-party courier service,” “third-party food delivery service,” and “third-party grocery delivery service” are types of “delivery services.” Accordingly, any exclusion that applies to a delivery service applies to a third-party courier service, third-party food delivery service, and third-party grocery delivery service. A person may simultaneously be a third-party courier service, third-party food delivery service, and third-party grocery delivery service. Similarly, any exclusion that applies to a contracted delivery worker applies to a food delivery worker and grocery delivery worker, and a contracted delivery worker may simultaneously be a food delivery worker and a grocery delivery worker.

A delivery service must comply with all of the applicable requirements of chapter 15 of title 20 of the Administrative Code and this subchapter, and a contracted delivery worker is protected by all applicable provisions of chapter 15 of title 20 of the Administrative Code and this subchapter.

Amendments to section 7-802 (Coverage)

The Final Rule repeals section 7-802, which DCWP has determined is no longer necessary in light of the amendments to section 7-801.

Amendments to section 7-804 (Notice of Rights)

The Final Rule adopts the Proposed Rule’s amendments to section 7-804 concerning the Notice of Rights without modification. Shipt’s comment requested that DCWP eliminate the obligation to text the Notice of Rights to workers, claiming that this requirement would impose technological burdens on Shipt and impose potential costs on workers. Similarly, the Retail Council of New York State requested that the notice provision be modified to allow for flexibility in the method of delivering notice. DCWP did not modify the notice provision requirements because they are necessary to ensure that workers receive information about their rights through multiple channels and can continue to access that information if a delivery service deactivates the worker’s account. The requirement to provide the notice of rights by text message, email, and in-app have applied to food delivery services since 2022 and there is no indication that it has been difficult for services that possess worker phone numbers and emails to provide this notice, nor that it has imposed costs on food delivery workers. DCWP plans to publish new Notice of Rights information before the Final Rule goes into effect.

Amendments to section 7-806 (Delivery Distance and Route)

The Final Rule adopts the Proposed Rule's amendments to Section 7-806, with the following modifications in response to comments:

- requires a delivery service that is not a food delivery service to disclose the routed distance beginning at the first pick-up location and ending at the final drop-off location of the trip;
- requires a food delivery service to disclose the routed distance beginning at the first pick-up location and ending at the final drop-off location of the trip, the worker's maximum distance setting, and the direct distance between the first pick-up location and the final drop-off location of the trip;
- requires a food delivery service to generate a route beginning at the worker's location at the time of the trip offer or assignment and ending at the final drop-off location of the trip to comply with a worker's bridge and tunnel settings;
- clarifies that a delivery service that is not a food delivery service is not required to generate routes to comply with Section 20-1521(a)-(c).

In addition, delivery services may submit requests to DCWP to suspend enforcement of the direct distance requirements in this rule from the effective date of this Final Rule until July 1, 2026, to allow for software development time. DCWP will approve such requests provided that the service describes with specificity the original design of the application that needs to be changed and a timeline for the contemplated changes.

Comments

Several commenters submitted comments concerning the Proposed Rule's maximum distance requirements. Comments from DoorDash stated that a worker's maximum distance setting should not apply to the direct distance between the first pickup location to the final drop-off location and should instead apply to the routed distance. DoorDash contended that requiring food delivery services to switch to direct distance would cause worker confusion and require burdensome engineering efforts.

Comments from Uber Eats, DoorDash and Grubhub stated that requiring disclosure of both direct distance and routed distance on each trip offer is burdensome and risks cluttering the interface displayed to workers, confusing workers as a result. Uber Eats and Grubhub suggested maintaining trip offer disclosures as they are.

Response

DCWP modified the Final Rule to require food delivery services to display a worker's maximum distance setting in effect on each trip offer, in addition to the trip's direct distance and routed distance.

It is not feasible to maintain trip offer disclosures as they were in the original rule, as DoorDash requested, because Local Law 123 materially changed the delivery distance and route requirements and related worker disclosure requirements in the Administrative Code. Specifically, amendments to Section 20-1521(a) of the New York City Administrative Code changed the law to provide that food delivery services must allow workers

to set a maximum distance between “the first pick-up location” and “the drop-off location of such trip that is farthest from such pick-up location.” This law change accommodates “bundles,” e.g., situations where a trip contains multiple pickups or drop-offs. Prior to the enactment of Local Law 123, maximum distance was measured as the routed distance from the first pickup to the final drop-off. If a trip contained a bundle, then for purposes of the maximum distance requirement, the prior law calculated distance as the route a worker followed after making their first pickup in the bundle. If the entire route for a bundled trip exceeded a worker’s maximum distance setting, then the law prohibited a food delivery service from offering the trip to that worker.

The amendment to Section 20-1521(a) in Local Law 123 accommodates bundles for workers who set a maximum distance. There is no limit on the number of pick-up points and drop-off points on a trip, nor any limit on the total routed distance to travel between all of those points, so long as the final drop-off point on the trip is within the worker’s selected maximum distance. This change facilitates food delivery services’ ability to offer workers bundled trips.

The Rule must clarify how a food delivery service should measure the distance for purposes of compliance with Section 20-1521(c). The available options are (1) routed distance, e.g., the route a worker must travel on a public right of way, or (2) direct distance, e.g., the first pick-up location is the center of a circle, and the worker’s maximum distance is the radius. DCWP chose direct distance as the maximum distance measurement for the following reasons.

First, direct distance will be less confusing for workers because it is a fixed measure that does not change based on real time conditions or differing routes. Historically, in complaints filed with DCWP, workers have reported that routed distance is an unverifiable measurement because the route the food delivery service displays does not necessarily match the actual route the worker must take, due to variations in real-time conditions or other factors. Second, a direct distance measure facilitates clear communication and disclosure by simply drawing a circle around a mid-point. Third, direct distance is truer to one of the law’s policy goals of giving workers control over how far away they will end up from a particular geographic point, after concluding a bundled trip.

Local Law 123 also corrected an inconsistency in how distance is measured for purposes of maximum distance in Section 20-1521(a) and disclosed distance in Section 20-1521(d). Before these amendments, the law measured maximum distance as the routed distance from the first pickup, and measured trip disclosure distance from the worker’s location at the moment of the trip offer. This was a frequent source of confusion for workers who filed complaints with DCWP; workers often reported that the distance listed in a particular trip disclosure was further than that worker’s chosen maximum distance setting. Because of the discrepancy between the maximum distance and trip disclosure provisions of the law, it was also more difficult for DCWP to evaluate whether a violation had occurred. The revised disclosure provisions in Local Law 123 solve this problem by setting consistent starting points for measuring distance for purposes of both the disclosure provision and the maximum distance provision.

The Final Rule implements this change in law by requiring food delivery services covered by Section 20-1521(a)’s maximum distance requirements to disclose to workers three pieces of information: (1) the routed distance of the trip; (2) the worker’s selected maximum distance setting; and (3) the direct distance between the first pick-up location and the final drop-off location. Delivery services that are not covered by Section 20-1521(a)’s maximum distance requirements must only display routed distance.

DCWP determined that disclosure of *both* routed distance and direct distance to food delivery workers is the best way to prevent worker confusion concerning maximum distance compliance and to aid workers in deciding whether to accept a particular trip offer. For food delivery service workers, disclosure of the *direct* distance to the final drop-off location alongside the worker's chosen maximum distance setting will enable a worker covered by Section 20-1521(a)'s maximum distance provisions to immediately verify compliance by comparing the two distances. Disclosure of the routed distance will give all contracted delivery workers information about the route they can travel to the final drop-off location.

DCWP is mindful of the potential for a cluttered interface that may result from these disclosures for food delivery services. To address this consideration, a food delivery service may comply with these disclosure requirements by limiting the information presented to the delivery worker in the initial view of the offer and providing functionality for a delivery worker to make a selection to view any remaining disclosures, provided all such information is available prior to the contracted delivery worker accepting such offer.

DCWP is also mindful of the potential that some delivery services may need time to implement the direct distance requirements in this rule. Delivery services may submit requests to DCWP to suspend enforcement of the direct distance requirements in this rule from the effective date of this Final Rule until July 1, 2026, to allow for software development time. DCWP will approve such requests provided that the service describes with specificity the original design of the application that needs to be changed and a timeline for the contemplated changes.

Amendments to section 7-805 (Recordkeeping)

The Proposed Rule updated recordkeeping and reporting requirements to reflect updates to the law and other rules. The Final Rule adopts the Proposed Rule's amendments to Section 7-805, with modification in response to comments, including:

- Removing the requirement to retain copies of required trip disclosures and replacing it with a requirement to document the ordinary functioning of the delivery service's disclosure interface;
- Removing the requirement set forth in section 7-805(c)(4) to retain routes and replacing it with a requirement to retain more limited geolocation information;
- Limiting certain recordkeeping requirements to food delivery services or to food delivery services and third-party grocery delivery services;
- Eliminating language requiring a delivery service to retain documentation of "policies and practices" relevant to compliance and narrowing the scope of the source code and version control logs that must be retained;
- Amending the requirements set forth in section 7-805(c)(4) to clarify their application to newly-covered grocery delivery services.

Comments:

DCWP received comments concerning records that relate to compliance with the delivery distance and route requirements set forth in section 20-1521 of the administrative code and section 7-806 of the rules. These

included comments from Instacart and Uber Eats that keeping geospatial data associated with every trip offer is burdensome and could implicate privacy concerns; comments from Uber Eats and Grubhub that keeping records of all trip offers in the form communicated to the worker is burdensome; and comments from Shipt that because the maximum distance protections do not apply to grocery delivery workers, the requirement to keep records of direct distance should be removed.

Comments from Instacart objected to the requirement to maintain documentation of its compliance policies.

Comments from Uber Eats objected to the Proposed Rule's requirement to retain source code and the type of phones its delivery workers' use to connect to its platform.

Comments from Uber Eats suggested reorganizing the rule's recordkeeping requirements and proposed an alternative structure.

Comments from Uber Eats requested that DCWP not require food delivery services to revise previously submitted reports to comply with updated requirements.

Response:

In response to comments, DCWP reviewed the recordkeeping requirements of the Proposed Rule and identified opportunities to reduce their scope and application without compromising DCWP's ability to audit compliance. The Final Rule removes the Proposed Rule's requirement to retain copies of required trip disclosures (section 7-805(c)(4)(i)) and replaces it with a requirement to document the ordinary functioning of the delivery service's disclosure interface (section 7-805(c)(14)). The Final Rule removes the Proposed Rule's requirement to retain routes (section 7-805(c)(4)(iii)) and replaces it with a requirement that services retain more limited geolocation information only when such information is necessary for determining compliance with the bridge and tunnel provisions of § 20-1521 of the Administrative Code (section 7-805(c)(4)(v)). The Final Rule also limits certain recordkeeping requirements to food delivery services or to food delivery services and third-party grocery delivery services that applied more broadly in the Proposed Rule (sections 7-805(c)(4)(iii), 7-805(c)(5)(iv)-(vi), (ix), 7-805(c)(6), and 7-805(c)(9)). The Final Rule modifies the Proposed Rule's recordkeeping requirement to eliminate language requiring a delivery service to retain documentation of "policies and practices" relevant to compliance and narrows the scope of the source code and version control logs that must be retained (section 7-805(c)(12)).

The Final Rule also modifies the requirements set forth in section 7-805(c)(4) to clarify their application to newly-covered grocery delivery services.

DCWP declined to limit data retention requirements to accepted trips. Delivery services must maintain historical offer data to allow DCWP to assess whether workers received required disclosures and, with respect to food delivery services, to assess whether a food delivery service complied with a worker's delivery route and distance settings. Further, for delivery services subject to the minimum pay provisions of section 7-810, such historical offer data is necessary to assess proper accounting of on-call time.

DCWP declined to remove the requirement to retain source code and version control logs. DCWP determined that audits based on data outputs alone may not always be sufficient to determine compliance, and so the Final Rule still requires retention of such information, but only to the extent that source code or version control logs are relevant to the conduct regulated under Chapter 15 of Title 20 of the Administrative Code. Retention of source code and version control logs are standard industry practice.

DCWP declined to remove the requirement to retain records of the type of phone workers use to connect to a food delivery service or third-party grocery delivery service's platform. This requirement of food delivery services was adopted in the 2023 Rule for purposes of providing an evidence base for measurement of workers' phone expenses and remains relevant to future rulemaking.

DCWP declined to reorganize the structure of section 7-805(c). DCWP considers Uber Eats' proposal a promising suggestion but determined that it would be impractical to implement this suggestion in advance of the January 26, 2026 legislative amendments.

In response to concerns raised by commenters that the Proposed Rule may undercompensate Instacart and Shipt workers, who are more likely than food delivery workers to make deliveries using cars, the Final Rule modifies reporting requirements to include information on trip distances. In response to concerns raised by Shipt that the Proposed Rule will lead it to make trips available with less lead time, the Final Rule modifies reporting requirements in section 7-805(d) to allow DCWP to include reporting of trip time that precedes arrival at a pickup location as distinct from the total time spent on a trip. This expanded reporting will provide DCWP with data it may use to inform future rulemaking. DCWP does not intend to require food delivery services to revise previously filed reports as a result of this rulemaking and the Final Rule does not require DCWP to do so.

New material is underlined.

[Deleted material is in brackets.]

“Shall” and “must” denote mandatory requirements and may be used interchangeably in the rules of this Department, unless otherwise specified or unless the context clearly indicates otherwise.

Subchapter H of Chapter 7 of Title 6 of the Rules of the City of New York is amended to read as follows:

Subchapter H: [Third-Party Service] Contracted Delivery Workers

§ 7-801 Definitions.

(a) As used in this subchapter, the following terms have the following meanings:

(1) "Cancellation" or "Cancelled", when used with respect to a trip or delivery, means that the trip or delivery ends prior to drop-off of an order with the [consumer] customer. When used with respect to trips including multiple deliveries, the terms mean that the trip ends prior to the completion of all planned drop-offs on the trip. The terms encompass cancellation initiated by a [consumer] customer, a [food] contracted delivery worker, or a [third-party food] delivery [service or third-party courier] service.

(2) ["Deactivation" means a third-party food delivery service or third-party courier service ceases to offer shifts or trips to a food delivery worker on a temporary or permanent basis.]

"Direct distance" also known as the "as-the-crow-flies" distance, means the length of a direct path between two locations, without accounting for detours, roads, or geographic obstacles.

(3) "Internal identifier" means a character string comprised of letters, numbers, or symbols that a [third-party food] delivery service [or third-party courier service] assigns to a [food] contracted delivery worker for purposes of uniquely identifying such worker within its records.

(4) "Merchant" means a food service establishment, grocery store or other retail food establishment, or other business that sells or provides goods delivered to a customer by a contracted delivery worker.

(5) "On-call time" means the time a [food] contracted delivery worker is connected to a [third-party food] delivery [service or third-party courier] service's electronic system for arranging or monitoring trips in a status where the [food] contracted delivery worker is available to receive or accept trip offers or assignments with a pickup or drop-off location in New York City and excludes all trip time.

[(5) "Pay period" means a fixed and regularly recurring period of 168 hours or seven consecutive 24-hour periods.]

(6) "Trip" has the same meaning as set forth in § 20-1501 of the Administrative Code, provided that a single trip may encompass multiple deliveries.]

(6) "Routed distance" means the distance a contracted delivery worker would have to travel to follow a defined path that connects two or more locations using a public right of way.

(7) "Third-party courier service" means a delivery service that (i) facilitates the same-day delivery or same-day pickup of food, beverages, or other goods from a food service establishment on behalf of such food service

establishment or a third-party food delivery service; and (ii) is owned and operated by a person other than the person who owns such food service establishment.

(8) "Third-party food delivery service" means a delivery service that: (i) offers or arranges for the sale of food and beverages prepared by, and the same-day delivery or same-day pickup of food and beverages from, a food service establishment; and (ii) is owned and operated by a person other than the person who owns such food service establishment.

(9) "Third-party grocery delivery service" means a delivery service that: (i) facilitates, offers or arranges for the delivery of goods from a retail food establishment; and (ii) is owned or operated by a person other than the person who owns such retail food establishment.

[(7)] (10) "Trip time" means the span of time between the moment a [food] contracted delivery worker accepts an offer from a [third-party food] delivery [service or third-party courier] service to perform a trip with a pickup or drop-off location in New York City, or receives an assignment to perform such a trip, through the moment such trip is completed or cancelled.

[(8)] (11) "Utilization rate" means a third-party food delivery service, third-party courier service, or third-party [courier] grocery delivery service's total trip time divided by the sum of its trip time and on-call time.

(b) As used in this subchapter, the following terms have the same meanings as set forth in § 20-1501 of the Administrative Code: ["Food] contracted delivery worker," customer," deactivation," delivery service," food delivery worker," goods," gratuity," grocery delivery worker," food service establishment," pay period," retail food establishment," retained," ["third-party courier service," and "third-party food delivery service."and "trip."

§ 7-802 [Coverage.

(a) If a third-party food delivery service or third-party courier service offers a trip to a food delivery worker that involves pickup or delivery of goods solely from a business or businesses other than a food service establishment, such trip is covered by Title 20, Chapter 15 of the Administrative Code and this subchapter, except that the requirements of § 20-1521(a)(1) shall not apply to that trip.

(b) If a third-party food delivery service offers a trip to a food delivery worker on behalf of a different third-party food delivery service, a food service establishment, or other business, such trip is covered by Title 20, Chapter 15 of the Administrative Code and this subchapter.

(c) If a third-party courier service offers a trip to a food delivery worker on behalf of a person other than a third-party food delivery service, such trip is covered by Title 20, Chapter 15 of the Administrative Code and this subchapter.

(d) If a third-party food delivery service or third-party courier service offers a trip to a food delivery worker who is physically located in New York City at the time of the offer, for purposes of Title 20, Chapter 15 of the Administrative Code, such trip originates in New York City.] **Reserved.**

§ 7-803 Retaliation.

(a) "Denial of work opportunities" under § 20-1504 of the Administrative Code and "denial of future work opportunities" under § 20-1508 of the Administrative Code include deactivations or any other act that results in a [food] contracted delivery worker not being offered or assigned a trip, provided however that such terms do not include any act or omission required of a third-party food delivery service or third-party courier service in order to comply with a food delivery worker's maximum distance, bridge, and tunnel specifications in accordance with § 20-1521(c) of the Administrative Code.

(b) If a [third-party food] delivery service [or a third-party courier service] maintains a system in which [food] contracted delivery worker deactivations or trip or shift offers or assignments depend, in whole or in part, on [food] contracted delivery workers' internal or public ratings, it is a retaliatory denial of a work opportunity under § 20-1504 of the Administrative Code and a retaliatory denial of a future work opportunity under § 20-1508 of the Administrative Code when such [third-party food] delivery service [or third-party courier service] downgrades a [food] contracted delivery worker's rating based on the exercise or attempted exercise of a right protected under [Title 20, Chapter 15] chapter 15 of title 20 of the Administrative Code.

(c) It shall constitute retaliation under § 20-1504 of the Administrative Code if a [third-party food] delivery service[, a third-party courier service,] or any other person takes an adverse action against a [food] contracted delivery worker on account of such worker refusing a trip offered or assigned in violation of Section 20-1521 of the Administrative Code.

(d) Each downgrading of a [food] contracted delivery worker's internal or public rating as a result of such worker's exercise or attempted exercise of a right protected under [Chapter 15 of Title 20] chapter 15 of title 20 of the Administrative Code shall constitute a separate instance of retaliation and a separate instance of a violation of § 20-1508(a)(3)(a) of the Administrative Code.

§ 7-804 Notice of Rights.

(a) A [third-party food] delivery service [or third-party courier service] must provide the notice of rights required by § 20-1505 of the Administrative Code to a [food] contracted delivery worker no later than [August 1, 2022] January 26, 2026, or prior to the [food] contracted delivery worker's first trip with a pickup or drop-off location in New York City, whichever is later.

(b) The notice of rights required by § 20-1505 of the Administrative Code must be provided by email and as a link within a text message sent to the [food] contracted delivery worker. In addition to provision by text and email, such notice must also be made continuously available to all active [food] contracted delivery workers through any website, mobile application, or other internet service used by a [food] contracted delivery worker to perform work for a [third-party food] delivery [service or third-party courier] service.

(c) When a [third-party food] delivery [service or third-party courier] service downloads or otherwise uses a notice of rights prepared by the commissioner and made available on the city's website, such [third-party food] delivery [service or third-party courier] service must provide such notice in accordance with any accessibility requirements set forth by the commissioner on the city's website.

(d) If the commissioner updates the information in the notice of rights pursuant to § 20-1505(a) of the Administrative Code, no later than thirty (30) days following the effective date of such update, a [third-party food] delivery service [or third-party courier service] must provide such updated notice to all [food] contracted delivery workers in the manner provided in subdivisions (a) through (c) of this section.

§ 7-805 Recordkeeping.

(a) (1) A request or subpoena for information or records from the Department must be served on a [third-party food] delivery service or [third-party courier service] merchant in writing in person, via mail, or via email. When the Department issues a written request or subpoena for data, information or documents under § 20-1506(a) or (c) of the Administrative Code, a [third-party food] delivery service or [third-party courier service] merchant must provide all responsive data, information, or documents to the Department within thirty (30) days of receiving such request or subpoena. The Department may issue such written request or subpoena for purposes of discharging any of its responsibilities under [§§] chapter 15 of title 20, including but not limited to §§ 20-1506, 20-1507 or 20-1522 of the Administrative Code.

(2) A deadline of more than 30 days may be agreed to on consent by the Department and the [third-party food] delivery service or [third-party courier service] merchant.

(3) A [third-party food] delivery service or [third-party courier service] merchant must provide data, information or documents to the Department in their original format or, if so requested, in the comma-delimited formats and layouts prescribed by the Department in such written request or subpoena.

(4) The Department may issue a notice of violation to a [third-party food] delivery service or [third party courier service] merchant who fails to provide true and accurate electronic records or information by the deadline provided in the written request or subpoena or the deadline agreed to by the parties, provided that any monetary penalties authorized by law for a violation of § 20-1506 of the Administrative Code shall not apply while such written request or subpoena is the subject of a timely-filed pre-compliance review proceeding.

(b) A [third-party food] delivery service or [third-party courier service] merchant must create and maintain contemporaneous, true, and accurate records documenting compliance with the requirements of [Chapter 15 of Title 20] chapter 15 of title 20 of the Administrative Code and any rules promulgated thereunder for a period of three years. If, in the ordinary course of business, any record required to be maintained under this subdivision is created by a person other than such [third-party food] delivery service [or third-party courier service], it is the responsibility of such [third-party food] delivery service [or third-party courier service] to obtain and maintain a copy of such record.

(c) A [third-party food] delivery service [or third-party courier service] must maintain the following data and records:

(1) With respect to all [food] contracted delivery workers, first name, last name, phone number, email address, internal identifier, taxpayer identification number if required to maintain such number under federal or state law, preferred language, first date [hired,] retained [or engaged], and last date [hired,] retained [or engaged].

(2) With respect to the notice of rights, data sufficient to show each email and text message containing the notice of rights that was sent to a [food] contracted delivery worker, the date and time such email or text message was sent, the first name, last name, and internal identifier of the recipient, and the phone number and email address of the recipient.

(3) With respect to the maximum distance, bridge, or tunnel parameters set or updated under § 20-1521(a) - (b) of the Administrative Code, the date, time, and content of every selection of or update to such parameters

and the first name, last name, and internal identifier of the food delivery worker who selected or updated such parameters.

(4) With respect to each trip offered or assigned to a [food] contracted delivery worker:

[(i) All information disclosed to a food delivery worker before such worker accepts a trip under Section 20-1521(d) of the Administrative Code, including:

- a. The address(es) where the food, beverage or other goods must be picked up;
 - b. The estimated distance for the trip;
 - c. The estimated time for the trip or, if disclosed in lieu of estimated time for the trip pursuant to 6 RCNY § 7-806(f) of this subchapter, the expected or required time of the last drop-off on the trip;
 - d. The amount of any gratuity(ies) specified by the consumer(s); and
 - e. The amount of compensation excluding gratuity to be paid to the food delivery worker for the trip or, if disclosed in lieu of compensation excluding gratuity pursuant to 6 RCNY § 7-806(h), the hourly pay rate applicable to the trip;
- (ii) The date and time that the trip offer was made to the food delivery worker;
 - (iii) If different from the date and time that the trip offer was made to the food delivery worker, the date(s) and time(s) that the information required to be disclosed by § 20-1521(d) of the Administrative Code was first disclosed to a food delivery worker;
 - (iv) Whether the offer was accepted, declined, or expired, and the date and time at which this status was recorded;
 - (v) The route used to generate the estimated trip distance disclosed to a food delivery worker pursuant to § 20-1521(d)(2) of the Administrative Code and the date and time it was generated. Such route must include a sequence of latitude and longitude coordinates;
 - (vi) The route distance between the first food service establishment from which the food, beverage or other goods must be picked up on the trip and the last delivery address on the trip;
 - (vii) The address(es) of where the food, beverage or other goods must be picked-up and, for the location(s) to which the food, beverage, or other goods must be delivered, the zip code and the latitude and longitude, accurate to a precision of three decimal places;
 - (viii) The gratuity the third-party food delivery service or third-party courier service charged to the consumer(s) for the order(s) on the trip;
 - (ix) The gratuity the third-party food delivery service or third-party courier service paid to the food delivery worker for the trip;
 - (x) The compensation, excluding gratuity, paid to the food delivery worker for the trip. If a third-party food delivery service or third-party courier service compensates a food delivery worker on an hourly basis, the amount of compensation for a trip is the time between the acceptance of an offered trip and its completion or cancellation, multiplied by the hourly payment rate for that trip;
 - (xi) Whether the trip was completed or cancelled, and the date and time of completion or cancellation; and if cancelled, whether the cancellation was initiated by the food delivery worker, the customer, the business from which the food, beverage, or other good was to be picked-up, or the third-party food delivery service or third-party courier service;
 - (xii) The first name, last name, and internal identifier of the food delivery worker to whom the offer was made; and
 - (xiii) Whether each business from which the food, beverage or other goods must be picked up was a food service establishment.]

- (i) A unique identifier for such trip;
- (ii) A unique identifier for each order to be delivered on the trip and, for each such order:
 - (A) The name of the merchant(s) from which the goods must be picked-up;
 - (B) The address(es) at which the goods must be picked-up;
 - (C) The address(es) at which the goods must be dropped-off;
 - (D) The tasks that the contracted delivery worker must perform;
 - (E) The amount of gratuity specified by the customer, and the date and time such amount was indicated or modified by the customer;
- (iii) If such trip was offered by a third-party food delivery service or third-party courier service, the direct distance between the first pick-up location of the trip and the final drop-off location of such trip;
- (iv) If such trip was offered by a third-party food delivery service or third-party courier service, whether the route generated pursuant to § 7-806(a)(2) of this subchapter involved passage over or through any of the bridges or tunnels listed in § 7-806(d)-(e) of this subchapter and if so, which such bridge or tunnel;
- (v) If such trip was offered by a third-party food delivery service or third-party courier service, the bridge, tunnel, or maximum distance parameters that the contracted delivery worker had in effect at the time the trip was offered or assigned, and if any such bridge or tunnel parameters were in effect, the latitude and longitude of the contracted delivery worker at the time of the offer, precise to two decimal places;
- (vi) The amount of compensation excluding gratuity that was disclosed for the trip and any part thereof;
- (vii) The estimated time for the trip, and any part thereof, that was disclosed pursuant to § 7-806(h)(1) of this subchapter or, if applicable, the expected or required time of completion disclosed pursuant to § 7-806(h)(2) of this subchapter;
- (viii) The routed distance for the trip from the first pick-up location of the trip to the final drop-off location of such trip that was disclosed pursuant to § 7-806(g) of this subchapter.;
- (ix) If the trip was offered or assigned to a subset of contracted delivery workers retained by such delivery service, for each offer or assignment to each contracted delivery worker, a unique identifier for the offer or assignment to the contracted delivery worker, the date and time of the offer or assignment, the first name, last name, and internal identifier of the contracted delivery worker who received the offer or assignment, whether the offer or assignment was accepted, rejected, or expired, and the date and time of acceptance, rejection, or expiration;
- (x) If the trip was offered to all contracted delivery workers retained by such delivery service who were available to receive or accept trip offers or assignments with a pickup or drop-off location in New York City, the date and time such trip was offered, whether such trip was accepted by a contracted delivery worker, the date and time such trip was accepted, and the first name, last name, and internal identifier of the contracted delivery worker that accepted such trip;
- (xi) The gratuity the delivery service paid to the contracted delivery worker for the trip, and any part thereof, and the date and time such gratuity was paid;
- (xii) The compensation, excluding gratuity, paid to the contracted delivery worker for the trip, and any part thereof, and the date and time such compensation was paid. If a delivery service compensates a contracted delivery worker on an hourly basis, the amount of compensation for a trip is the trip time multiplied by the hourly payment rate for that trip; and

(xiii) Whether the trip was completed or cancelled, and the date and time of completion or cancellation; and if cancelled, whether the cancellation was initiated by the contracted delivery worker, the customer, the merchant, or the delivery service.

(5) With respect to each pay period during which a [food] contracted delivery worker engaged in any trip time or on-call time:

(i) The first name, last name, and internal identifier of the [food] contracted delivery worker;

(ii) The date, time, and amount of any payment made to the [food] contracted delivery worker for the pay period, or any part thereof;

(iii) The start date and time and end date and time of the pay period;

(iv) [The] If the delivery service is a third-party food delivery service, third-party courier service, or third-party grocery delivery service, the minutes of trip time worked by the [food] contracted delivery worker;

(v) [The] If the delivery service is a third-party food delivery service, third-party courier service, or third-party grocery delivery service, the minutes of on-call time worked by the [food] contracted delivery worker;

(vi) The compensation, excluding gratuities, paid to the [food] contracted delivery worker and the basis for such compensation, including rates of pay and units of pay. [Such] If the delivery service is a third-party food delivery service, third-party courier service, or third-party grocery delivery service, such records must distinguish [between] compensation [creditable towards a third-party food delivery service] for trip time or [third-party courier service's obligations under 6 RCNY § 7-810 and any] on-call time from other compensation the [third-party food] delivery service [or third-party courier service] may have paid to the [food] contracted delivery worker;

(vii) The gratuities paid to the [food] contracted delivery worker for trips with a pickup or drop off location in New York City;

(viii) All deductions from, additions to, or adjustments of compensation owed or paid to the [food] contracted delivery worker, itemized by type.

(ix) [The] If the delivery service is a third-party food delivery service, third-party courier service, or third-party grocery delivery service, the minimum pay method chosen for the pay period pursuant to 6 RCNY § 7-810[(c)].

(6) [With] If the delivery service is a third-party food delivery service, third-party courier service, or third-party grocery delivery service, with respect to each pay period:

(i) The start date and time and end date and time of the pay period;

(ii) The total minutes of trip time for all [food] contracted delivery workers;

(iii) The total minutes of on-call time for all [food] contracted delivery workers;

(iv) The total compensation paid to all [food] contracted delivery workers. Such records must distinguish [between (a)] compensation [creditable towards a third-party food delivery service] for trip time or [third-party courier service's obligation under 6 RCNY § 7-810 and any] on -call time from other compensation the [third-party food] delivery service [or third-party courier service] may have paid to the [food] contracted delivery worker;

- (v) The minimum pay method chosen for the pay period pursuant to 6 RCNY § 7-810[(c)].
- (7) With respect to each insulated food delivery bag provided to a [food] contracted delivery worker:
- (i) The first name, last name, and internal identifier of the worker to whom the delivery bag was provided; and
 - (ii) The date of provision[, and whether provision was by pickup or whether the third-party food delivery service or third-party courier service sent the insulated delivery bag to the food delivery worker].
- (8) With respect to each deactivation of a [food] contracted delivery worker:
- (i) The first name, last name, and internal identifier of the worker who was deactivated;
 - (ii) The date and time of deactivation;
 - (iii) The date and time of reactivation, if applicable;
 - (iv) The reason(s) for the deactivation; and
 - (v) Whether the deactivation was effected through an automatic or a manual process.
- (9) [With] If the delivery service is a third-party food delivery service, third-party courier service, or third-party grocery delivery service, with respect to each instance in which a [food] contracted delivery worker engages in trip time or on-call time:
- (i) The first name, last name, and internal identifier of the [food] contracted delivery worker;
 - (ii) The start date and time and end date and time of each span of on-call time;
 - (iii) The start date and time and end date and time of each span of trip time; and
 - (iv) The manufacturer, name, and model number of the phone that the [food] contracted delivery worker used to engage in trip time or on-call time.
- (10) If the delivery service is a third-party food delivery service, third-party courier service, or third-party grocery delivery service, documentation of the customer-facing ordering, tip solicitation, and checkout process sufficient to demonstrate compliance with § 20-1522(b)(3)-(5) of the Administrative Code, the version of the delivery service's applications reflected by such documentation, and the dates in which such version was in effect for customers placing orders for delivery to or from locations in New York City.
- (11) Each statement provided to a contracted delivery worker pursuant to § 20-1523(c) of the Administrative Code and the date and time such statement was provided and, if applicable, the date and time such statement was requested by a contracted delivery worker.
- (12) All application source code and version control logs that document the functioning of, and updates to, any software, service, or application the delivery service develops and uses to perform a function regulated under chapter 15 of title 20 of the administrative code.
- (13) If the delivery service is a third-party food delivery service or third-party courier service, documentation of the maximum distance, bridge, and tunnel parameter selection process sufficient to demonstrate compliance with § 20-1521(a) and (b) of the Administrative Code and subdivisions (b), (c), (d), and (e) of § 7-806 of this

subchapter, the version of the delivery service's applications reflected by such documentation, and the dates in which such version was in effect for food delivery workers.

(14) Documentation sufficient to show how the delivery service's processes for offering or assigning trips with a pickup or drop-off in New York City satisfy the disclosure requirements of § 20-1521(d) of the Administrative Code and § 7-806 of this subchapter. Such documentation may be in the form of a recording, a series of images, or any other means to visually represent the features and interface viewable by a delivery worker.

(d) In accordance with applicable law and upon receipt of appropriate notice[, a]:

(1) A third-party food delivery service or third-party courier service must produce reports to the Department concerning such third-party food delivery service or third-party courier service's operations in New York City for all periods on or after January 1, 2022; provided however, that for all periods between January 1, 2022 and the effective date of this subdivision, a third-party food delivery service or third-party courier service must produce reports only to the extent that such third-party food delivery service or third-party courier service maintained all or part of such records[.] ; and

(2) A delivery service that is not a third-party food delivery service or third-party courier service must produce reports to the Department concerning such delivery service's operations in New York City for all periods on or after January 1, 2024; provided however, that for all periods between January 1, 2024 and January 26, 2026, a delivery service must produce reports only to the extent that such delivery service maintained all or part of such records.

(3) The reports required to be produced pursuant to this subdivision may be required by the Department no more frequently than monthly and must be produced in accordance with a format, layout, and procedure prescribed by the Department, provided that this subdivision shall not be construed as requiring a [third-party food] delivery [service or third-party courier] service to submit reports on orders for which it had no responsibility for facilitating or arranging the delivery or pickup of [food, beverages, or other] goods by a [food] contracted delivery worker. A [third-party food] delivery [service or third-party courier] service must maintain the records used to produce such reports for a period of three years. Such reports may include the following information for each pay period aggregated citywide and by zip code of the pickup or drop-off location in New York City, [food] contracted delivery worker mode of transportation, [and] delivery service line of business, merchant line of business, and part of a trip:

[(1)] (i) The number of [food] contracted delivery workers who engaged in any trip time;

[(2)] (ii) The number of [food] contracted delivery workers who engaged in any on-call time;

[(3)] (iii) The number of trips with a pickup or drop-off location in New York City;

[(4)] (iv) The minutes of trip time;

[(5)] (v) The minutes of on-call time;

[(6)] (vi) The total amount paid to [food] contracted delivery workers, [excluding gratuities, creditable towards a third-party food delivery service] distinguishing pay for trip time or [third-party courier service's obligation under 6 RCNY § 7-810;] on-call time from other pay;

- [(7)] (vii) The total gratuities paid to [food] contracted delivery workers for trips with a pickup or drop-off location in New York City;
- [(8)] (viii) The minimum pay method chosen for the pay period pursuant to 6 RCNY § 7-810[(c)];
- [(9)] (ix) The number of [consumers] customers who received at least one delivery with a pickup or drop-off location in New York City;
- [(10)] (x) The number of completed deliveries with a pickup or drop-off location in New York City;
- [(11)] (xi) The total amount charged to [consumers] customers for the [food, beverage, or other] goods on deliveries with a pickup or drop-off location in New York City;
- [(12)] (xii) The fees charged to [consumers] customers on orders for delivery with a pickup or drop-off location in New York City;
- [(13)] (xiii) The subscription and membership fees charged to [consumers] customers in New York City;
- [(14)] (xiv) The number of merchants who prepared at least one order for delivery with a pickup or drop-off location in New York City;
- [(15)] (xv) The [delivery fees, payment processing fees, and other] fees charged to merchants on orders for delivery with a pickup or drop-off location in New York City, itemized by type; and
- (xvi) Trip distances.

(e) The Department may prescribe data specifications, including field definitions, record layouts, and uniform codes, for any record required to be maintained pursuant to subdivision (c) or (d) of this section. If prescribed by the Department, a [third-party food] delivery [service or third-party courier] service must maintain the required records in accordance with such specifications.

§ 7-806 Delivery Distance and Route.

[(a) For purposes of § 20-1521(a)(1) of the Administrative Code, maximum distance per trip refers to the route to be travelled from the first pick-up from a food service establishment on a trip to the last drop-off on such trip.]

(a) 1. To comply with the maximum distance requirements of § 20-1521(a)(1) and § 20-1521(c) of the Administrative Code, if applicable, and the distance disclosure requirement of § 20-1521(d)(2) of the Administrative Code, a delivery service must generate a route that connects all pick-up and drop-off locations on a trip in an ordered sequence, beginning at the first pick-up location of the trip and ending at the final drop-off location of such trip. For purposes of § 20-1521(a)(1) of the Administrative Code, the drop-off location of a trip that is farthest from the first pick-up location of such trip means the final drop-off location within the route generated pursuant to this paragraph.

2. To comply with the bridge and tunnel requirements of § 20-1521(a)(2)-(3) and § 20-1521(c) of the Administrative Code, a third-party food delivery service or third-party courier service must generate a route that connects the location of the food delivery worker when such food delivery worker was offered or assigned a trip and all pick-up and drop-off locations on a trip in an ordered sequence, beginning at the location of the food

delivery worker when such food delivery worker was offered or assigned such trip, and ending at the final drop-off location of such trip.

3. Pursuant to § 20-1521(a)(1) of the Administrative Code and this section, a third-party food delivery service or third-party courier service may not offer or assign a trip to a food delivery worker if the direct distance between the first pickup location of such trip and the final drop-off location of such trip exceeds the maximum distance parameter selected by such food delivery worker. The routed distance is often longer than the direct distance, and the food delivery worker may travel significantly longer on the routed distance and may make multiple stops along the routed distance. By setting a maximum distance parameter, a food delivery worker is not limiting the routed distance. Rather, a food delivery worker is choosing to be nearer to the first pick-up location at the end of the trip.

(b) Pursuant to Subdivisions (a) and (b) of § 20-1521 of the Administrative Code, a third-party food delivery service or third-party courier service must provide a food delivery worker with the ability to set and update the maximum distance parameter and preferences in respect to the bridges and tunnels listed in subdivisions c and d of this section using the third-party food delivery or third-party courier service's website, mobile application, or other internet service through which trips are offered or assigned to such worker. Such distance, bridge, and tunnel parameters, when set or updated, shall take effect automatically and as soon as practicable, without requirement for review, approval, or any other act by a natural person employed by or acting on behalf of the third-party food delivery service or third-party courier service. The functions to set and modify such parameters must be included within a user interface easily accessible to workers through the website, mobile application, or other internet service and no less accessible than other settings or profile information a food delivery worker can select or input. A food delivery worker must be able to select and deselect the bridges and tunnels listed in subdivisions c and d of this section using a list or map within the user interface.

(c) A third-party food delivery service or a third-party courier service must include the following selectable bridges in the user interface provided to a food delivery worker pursuant to subdivision b:

- (1) Ed Koch Queensboro Bridge;
- (2) Brooklyn Bridge;
- (3) Williamsburg Bridge;
- (4) Manhattan Bridge;
- (5) Broadway Bridge;
- (6) University Heights Bridge;
- (7) Washington Bridge;
- (8) Alexander Hamilton Bridge;
- (9) Macombs Dam Bridge;
- (10) 145th Street Bridge;
- (11) Madison Avenue Bridge;
- (12) Third Avenue Bridge;

- (13) Willis Avenue Bridge;
- (14) Pulaski Bridge;
- (15) Greenpoint Avenue Bridge;
- (16) Kosciuszko Bridge;
- (17) Robert F Kennedy Bridge (Triborough Bridge);
- (18) Bronx Whitestone Bridge;
- (19) Throgs Neck Bridge;
- (20) Verrazzano-Narrows Bridge;
- (21) Marine Parkway-Gil Hodges Memorial Bridge;
- (22) Joseph P. Addabbo Memorial Bridge (North Channel Bridge);
- (23) Henry Hudson Bridge;
- (24) High Bridge;
- (25) George Washington Bridge;
- (26) Bayonne Bridge;
- (27) Goethals Bridge; and
- (28) Outerbridge Crossing.

(d) A third-party food delivery service or a third-party courier service must include the following selectable tunnels in the user interface provided to a food delivery worker pursuant to subdivision b:

- (1) Lincoln Tunnel;
- (2) Holland Tunnel;
- (3) Queens Midtown Tunnel; and
- (4) Hugh L. Carey Tunnel (Brooklyn Battery Tunnel).

(e) If a third-party food delivery service or third-party courier service maintains a policy and practice of never offering or assigning trips that require travel over or through a particular bridge or tunnel identified in subdivisions (c) and (d) of this section, such bridge or tunnel may be omitted from the user interface the third-party food delivery service or third-party courier service provides pursuant to subdivision (b) of this section.

[(f) Pursuant to § 20-1521(d)(2) of the Administrative Code, the estimated time and distance for a trip must include the total time and the total distance for a food delivery worker to complete the trip, including travel to a business from the location where the worker accepted the trip offer, picking up the food, beverage, or other goods for delivery, taking and depositing such delivery at a different location as requested, any waiting time, and any time spent placing the order with a food service establishment or other business, transmitting payment

for the order to a food service establishment or other business, or assembling the order. The expected or required time of the last drop-off on a trip may be disclosed in lieu of the estimated time for the trip.]

(f) The requirements of § 20-1521(a)-(c) of the Administrative Code apply to all trips a third-party food delivery service or third-party courier service offers or assigns to a food delivery worker, including trips that do not involve picking up goods from a food service establishment.

(g) When disclosing the estimated distance from the first pick-up location of the trip to the final drop-off location of such trip to a contracted delivery worker pursuant to § 20-1521(d)(2) of the Administrative Code, a delivery service must disclose the routed distance between the first pick-up location of the trip and the final drop-off location of such trip. A third-party food delivery service or third-party courier service must also separately disclose (a) the maximum distance selected by such contracted delivery worker pursuant to § 20-1521(a)(1) and § 20-1521(b) of the Administrative Code, if applicable, and (b) the direct distance between the first pick-up location of the trip and the final drop-off location of such trip.

(h) (1) When disclosing the estimated time from the first pick-up location of the trip to the final drop-off location of such trip to a contracted delivery worker pursuant to § 20-1521(d)(2) of the Administrative Code, a delivery service must include sufficient time to safely perform all trip responsibilities, including travel along the route generated in accordance with subdivision (a) of this section and performance of all trip responsibilities at each location, including all of the responsibilities specified in the definition of "trip" set forth in section § 20-1501 of the Administrative Code that are applicable to such trip, except for the time needed to travel to the first pick-up location.

(2) In lieu of disclosing the estimated time for a trip pursuant to paragraph (1) of this subdivision, a delivery service may disclose to a contracted worker the expected or required time by which a contracted delivery worker will have completed all work on the trip, provided that such expected or required time includes sufficient time to safely perform all trip responsibilities, including the time required to travel to the first pick-up location, travel along the route generated in accordance with subdivision (a) of this section and perform all trip responsibilities at each location, including all of the responsibilities specified within the definition of "trip" in section § 20-1501 of the Administrative Code that are applicable to such trip.

[(g)] (i) Pursuant to § 20-1521(d)(3) of the Administrative Code, a [third-party food] delivery service [or third-party courier service] that [engages] offers or assigns a trip to a [food] contracted delivery worker [to perform a delivery] must disclose to the [food] contracted delivery worker the amount of any gratuity[, if] specified by [the consumer] any customer, even if such [third-party food] delivery service [or third-party courier service] is not the party who received the order directly from the [consumer] customer.

Example: If a [consumer] customer places an order for delivery with a [third-party food] delivery service, and such [third-party food] delivery service transfers the order to a [third-party food courier] different delivery service that then facilitates the delivery, [such third-party food courier] the delivery service that facilitates the delivery must disclose to the [food] contracted delivery worker the amount of gratuity, if any, specified by the [consumer] customer.

Example: If a [consumer] customer places an order for delivery with a [food service establishment or other business] merchant, and such [food service establishment or other business] merchant transfers the

order to a [third-party food] delivery [service or third-party courier] service that then facilitates the delivery, such [third-party food] delivery [service or third-party courier] service must disclose to the [food] contracted delivery worker the amount of gratuity, if any, specified by the [consumer] customer.

[(h)] (j) [A third-party food] When a contracted delivery worker completes a trip, the delivery service [or third-party courier service] must pay [a food] the contracted delivery worker [for a completed trip] no less than the amount of compensation it [discloses] disclosed to such worker pursuant to § 20-1521(d)(4) of the Administrative Code[, in addition to any gratuity owed for such trip]. If, pursuant to subdivision [(h)] (k) of this section, a [third-party food] delivery service [or third-party courier service] discloses an hourly pay rate to a [food] contracted delivery worker, such [third-party food] delivery service [or third-party courier service] must pay such [food] contracted delivery worker for the time such [food] contracted delivery worker spends on the trip at a rate no less than such hourly pay rate. The pay required by this subdivision must be in addition to any gratuity for such trip.

[(i)] (k) If a [third-party food] delivery service [or a third-party courier service] compensates a [food] contracted delivery worker on an hourly basis, such [third-party food] delivery [service or third-party courier] service must satisfy the requirements of § 20-1521(d)(4) of the Administrative Code by disclosing the hourly pay rate that will be applied to the time such [food] contracted delivery worker spends performing the offered or assigned trip.

[(j)] (l) [For purposes] In any action or proceeding alleging a violation of § 20-1521(a)(1) - (3) of the Administrative Code and this section, a trip offered or assigned to a food delivery worker by a third-party food delivery service or third-party courier service requires travel across a bridge or through a tunnel if the shortest routed distance [route generated by a routing engine selected by the Department for such trip] involves passage over such bridge or through such tunnel, unless such third-party food delivery service or third-party courier service produces contemporaneous records showing that [it provided an alternative route] it disclosed to such food delivery worker the route it generated pursuant to subdivision (a) of this section and that such route did not [requiring] involve passage over such bridge or through such tunnel [to such food delivery worker and that such route was consistent with the time and distance disclosed under § 20-1521(d) of the Administrative Code].

(m) The requirements of § 20-1521 of the Administrative Code and this section apply to any trip that includes a pick-up or drop-off location in New York City.

§ 7-807 Payments to Workers.

(a) For purposes of § 20-1523(a) of the Administrative Code, a [third-party food] delivery service [or third-party courier service] shall be considered to have charged or imposed a fee on a [food] contracted delivery worker for the use of a form of payment selected by such service if (1) the service does not offer a form of payment to a [food] contracted delivery worker free from any fees charged or imposed by a financial intermediary or other person or (2) a fee for payment is charged or imposed on a [food] contracted delivery worker by any parent, affiliate, or subsidiary entity of the [third-party food] delivery [service or third-party courier] service.

(b) A [third-party food] delivery service [or third-party courier service] must calculate compensation owed to a [food] contracted delivery worker for each pay period. The pay period need not coincide with the calendar week but may begin on any day and at any hour of the day. A [third-party food] delivery service [or third-party courier service] must establish a single pay period for all [food] contracted delivery workers it engages. Once

the beginning time of the pay period is established, it must remain fixed, and may be changed only if the change is intended to be permanent.

(c) [A third-party food delivery service or third-party courier service must pay all compensation owed to each food delivery worker for a pay period no later than seven (7) calendar days after the end of such pay period.] The requirements of section § 20-1523 of the Administrative Code and this section apply to a contracted delivery worker for any pay period in which such contracted delivery worker engages in trip time.

§ 7-808 Insulated Food Delivery Bags.

(a) A [third-party food] delivery service [or third-party courier service] must no later than seven (7) days following the day of a worker's sixth delivery of goods that are customarily transported in an insulated food delivery bag to or from a location in New York City for that [third-party food] delivery service [or third-party courier service]: (1) make an insulated food delivery bag required by § 20-1524(a)(1) of the Administrative Code available for pickup by a [food] contracted delivery worker or (2) at the request of a [food] contracted delivery worker deliver such a bag to the worker.

(b) In cases of loss, damage, theft, or deterioration, a [third-party] delivery service [or third-party courier service] must make available replacement insulated food delivery bags for a [food] contracted delivery worker at no expense to such [food] contracted delivery worker. However, in no case is a [third-party food] delivery service [or third-party courier service] required to provide more than one replacement bag during a six-month period.

§ 7-809 Reserved.

§ 7-810 Minimum Pay.

(a) [When the Department issues a subpoena for data, information or documents under § 20-1522(a)(2) of the Administrative Code, a third-party food delivery service or third-party courier service must provide all responsive data, information or documents to the Department within 30 days of receiving such subpoena and, if so requested, in the comma-delimited formats and layouts prescribed by the Department in such subpoena] Reserved.

(b) *Standard Method.* A third-party food delivery service [or], third-party courier service, or third-party grocery delivery service must make payments to food delivery workers and grocery delivery workers for their trip time and on-call time in a pay period that meet the individual and aggregate requirements of subparagraphs 1 and 2 of this subdivision, except that for pay periods that begin prior to July 1, 2026, a third-party grocery delivery service that is not a third-party food delivery service or a third-party courier service must only make payments to its grocery delivery workers for their trip time in a pay period that meet the individual requirement of subparagraph 1 and is not required to make payments that meet the aggregate requirement of subparagraph 2. For pay periods that begin on or after July 1, 2026, all third-party grocery delivery services must make payments to their grocery delivery workers for their trip time and on-call time in a pay period that meet the individual and aggregate requirements of subparagraphs 1 and 2 of this subdivision.

(1) *Individual requirement.* A third-party food delivery service[or], third-party courier service, or third-party grocery delivery service must pay to a food delivery worker or grocery delivery worker who engages in trip time in a pay period no less than the sum of such food delivery worker's or grocery delivery worker's trip time in that pay period multiplied by the following minimum pay rates:

(i) \$17.96 per hour, for pay periods that start on or after the effective date of this section;

(ii) \$18.96 per hour, adjusted for inflation as set forth in subdivision (g) of this section, for pay periods that start on or after April 1, 2024; and

(iii) \$19.96 per hour, adjusted for inflation annually as set forth in subdivisions (h) and (i) of this section, for pay periods that start on or after April 1, 2025.

(2) *Aggregate requirement.* A third-party food delivery service[or], third-party courier service, or third-party grocery delivery service must pay, in aggregate, to the food delivery workers or grocery delivery workers who engage in trip time or on-call time in a pay period no less than the sum of all such food delivery workers' or grocery delivery workers' trip time and on-call time in that pay period multiplied by the following minimum pay rates:

(i) \$17.96 per hour, for pay periods that start on or after the effective date of this section;

(ii) \$18.96 per hour, adjusted for inflation as set forth in subdivision (g) of this section, for pay periods that start on or after April 1, 2024; and

(iii) \$19.96 per hour, adjusted for inflation annually as set forth in subdivisions (h) and (i) of this section, for pay periods that start on or after April 1, 2025.

(c) *Alternative Method.* Notwithstanding the requirements of subdivision (b) of this section, an eligible third-party food delivery service[or], third-party courier service, or third-party grocery delivery service may use the alternative method specified in this subdivision to determine the minimum payments it must make to food delivery workers or grocery delivery workers for their trip time and on-call time in a pay period.

(1) *Utilization Floor.* [For pay periods that begin prior to April 1, 2024, any third-party food delivery service or third-party courier service may use the alternative method specified in this subdivision. For pay periods that begin on or after April 1, 2024, a] A third-party food delivery service[or], third-party courier service, or third-party grocery delivery service may use the alternative method for any pay period in which its utilization rate is greater than or equal to 0.53 and in up to two pay periods per year in which its utilization rate is less than 0.53, except that a third-party grocery delivery service that is not a third-party food delivery service or a third-party courier service may use the alternative method specified in this subdivision for any pay periods that begin prior to November 1, 2026, including a pay period in which its utilization rate is less than 0.53. For purposes of this subdivision, a year begins with the first pay period that begins on or after April 1 of a calendar year and ends with the last pay period that begins on or before March 31 of the following calendar year. If an eligible third-party food delivery service[or], third-party courier service, or third-party grocery delivery service chooses this alternative method, the method applies to each and every food delivery worker or grocery delivery worker who engages in trip time in the pay period. An eligible third-party food delivery service, [or] third-party courier service, or third-party grocery delivery service that chooses the alternative method for a pay period must document its utilization rate and choice of method no later than when payment is due pursuant to § 20-1523(b) of the Administrative Code and 6 RCNY § 7-807.

(2) Alternative minimum pay requirement. An eligible third-party food delivery service[or], third-party courier service, or third-party grocery delivery service that chooses the alternative method must pay to each food delivery worker or grocery delivery worker who engages in trip time in a pay period no less than such food delivery worker's or grocery delivery worker's trip time in that pay period multiplied by the alternative minimum pay rate. Such alternative minimum pay rate is calculated by dividing the minimum pay rate otherwise required by subdivision (b) of this section by 0.60. Such third-party food delivery service[or], third-party courier service, or third-party grocery delivery service is not required to pay a food delivery worker or grocery delivery worker for the pay period if the food delivery worker or grocery delivery worker engages in on-call time but no trip time.

(d) Bases of Pay. A third-party food delivery service[or], third-party courier service, or third-party grocery delivery service may fulfill its obligation under subdivision (b) or subdivision (c) of this section using any basis of pay it chooses, including paying an hourly rate, a per-trip rate or other piece rate, a bonus or other lump-sum payment, or any other basis.

Example: In a pay period that begins on [April 1, 2024,] February 2, 2026 5,000 food delivery workers or grocery delivery workers, in aggregate, engage in 55,000 hours of trip time and 45,000 hours of on-call time[.] for a delivery service that is a third-party food delivery service, third-party courier service, or third-party grocery delivery service. Worker A, individually, engages in 30 hours of trip time and 5 hours of on-call time. [Following a 2% inflation adjustment performed by the Department pursuant to subdivision (g) of this section] At that time, the minimum pay rate is \$[19.34] 21.44. The alternative minimum pay rate is \$[19.34] 21.44 divided by 0.60.

Standard Method: The [third-party food] delivery service meets the requirements of both subdivision (b)(1) and subdivision (b)(2) of this section if it pays its food delivery workers or grocery delivery workers as follows:

1. Each food delivery worker or grocery delivery worker is paid at least an amount equal to their trip time multiplied by \$[19.34] 21.44. For instance, worker A receives at least \$[580.20] 643.20, which is \$[19.34] 21.44 multiplied by 30 hours; and

2. The total the [third-party food] delivery service pays for the pay period meets or exceeds the aggregate amount of trip time and on-call time (100,000 hours) multiplied by \$[19.34] 21.44, which equals \$[1,934,000] 2,144,000. Worker A's payment of at least \$[580.20] 643.20 for trip time is credited towards the aggregate requirement and Worker A may, or may not, receive an additional payment.

Alternative Method: The [third-party food] delivery service has a utilization rate of 0.55, which is its trip time (55,000) divided by the sum of its trip time and on-call time (100,000). Since 0.55 is greater than 0.53, the [third-party food] delivery service is eligible under subdivision (c)(1) to use the alternative method to determine the minimum payments it must make to its food delivery workers or grocery delivery workers for the pay period. If the [third-party food] delivery service uses the alternative method, it meets the requirements of subdivision (c) if each food delivery worker or grocery delivery worker is paid at least an amount equal to their trip time multiplied by \$[19.34] 21.44 divided by .60. For instance, worker A receives \$[967.00] 1072.00, which is \$[19.34] 21.44 divided by .60 multiplied by 30 hours.

(e) No offset for gratuities. A third-party food delivery service[or], third-party courier service, or third-party grocery delivery service may not use gratuities paid to a food delivery worker or grocery delivery worker to

offset such third-party food delivery service[or], third-party courier service, or third-party grocery delivery service's obligation to pay the food delivery worker or grocery delivery worker the minimum pay required by this section.

(f) No offset for trips outside of New York City. A third-party food delivery service[or], third-party courier service, or third-party grocery delivery service may not use amounts paid to a food delivery worker or grocery delivery worker for trips with a pickup and drop-off location outside of New York City to offset such third-party food delivery service[or], third-party courier service, or third-party grocery delivery service's obligation to pay to the food delivery worker or grocery delivery worker the minimum pay required by this section.

(g) 2024 inflation adjustment. The Department shall perform the inflation adjustment required by subdivisions (b)(1)(ii) and (b)(2)(ii) of this section by multiplying \$18.96 by the percent change in the All Items Consumer Price Index for Urban Wage Earners and Clerical Workers for the NY-NJ-PA metro area between December 2022 and December 2023 and rounding to the nearest cent, provided that if the percentage change is zero or negative, the adjustment shall be zero. The Department shall post the Consumer Price Index adjusted minimum pay rate on its website on or before the first day of February 2024.

(h) 2025 inflation adjustment. For pay periods beginning on or after April 1, 2025 and before April 1, 2026, the Department shall perform the inflation adjustment required by subdivisions (b)(1)(iii) and (b)(2)(iii) of this section by multiplying \$19.96 by the percent change in the All Items Consumer Price Index for Urban Wage Earners and Clerical Workers for the NY-NJ-PA metro area between December 2022 and December 2024 and rounding to the nearest cent, provided that if the percentage change is zero or negative, the adjustment shall be zero. The Department shall post the Consumer Price Index adjusted minimum pay rate on its website on or before the first day of February 2025.

(i) Inflation adjustments beginning in 2026. Beginning with the minimum pay rate for pay periods that start on or after April 1, 2026, and continuing each calendar year thereafter, the Department shall post the inflation-adjusted minimum pay rate required by subdivisions (b)(1)(iii) and (b)(2)(iii) of this section on or before the first day of February of the calendar year in which the rate will take effect. Such inflation adjustments will be performed by multiplying the minimum pay rate in effect prior to adjustment by the most recent December to December percent change in the All Items Consumer Price Index for Urban Wage Earners and Clerical Workers for the NY-NJ-PA metro area and rounding to the nearest cent, provided that if the percentage change is zero or negative, the adjustment shall be zero.

[(j) In the report the Department must submit to the council and the mayor no later than September 24, 2024 pursuant to § 20-1522(d) of the Administrative Code, the Department will review the base pay, workers' compensation, expense, and multi-apping components of the minimum pay rate, the utilization eligibility threshold for the Alternative Method, and the calculation used to determine the alternative minimum pay rate to determine if adjustments need to be made to the rates set forth in subdivision (b) of this section. As part of such review, the Department may utilize any records and reports that a third-party food delivery service or third-party courier service is required to maintain, produce, or submit to the Department pursuant to 6 RCNY § 7-805, as well as any other information the Department deems relevant.]