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Millions in Instacart Funds Ready to be Disbursed

Shoppers, drivers to get restitution for being underpaid as independent contractors

San Diego City Attorney Mara W. Elliott today announced that tens of millions of dollars owed to underpaid Instacart workers in California are now ready to be distributed. The funds come from a \$46.5 million settlement of a lawsuit the City Attorney's Office filed against the giant grocery shopping app four years ago.

The suit, brought on behalf of the People of the State of California, alleged that the San Francisco-based grocery delivery company misclassified its shoppers as independent contractors when they should have been considered employees. The enforcement action recovered money for workers who were underpaid for wages and job-related expenses.

“It’s gratifying to see hardworking Instacart shoppers receive the compensation they deserve. At the height of COVID-19, they provided a lifeline to California families,” City Attorney Mara W. Elliott said. **“My office will continue to look out for them and other working families.”**

The settlement was reached in October 2022, though the final judgment was entered by the court only recently. A fund administrator, Simpluris, is sending notices of restitution eligibility by email to the affected workers and managing the distribution of payments.

Reimbursements to individual workers will vary, depending on the number of hours worked in California between Sept. 13, 2015, and Dec. 15, 2020 – the time period covered by the settlement. Approximately 308,000 individuals are believed to be eligible for restitution payments. Workers are not required to release any legal claims to receive restitution, and should consult with their own attorney if they have questions about their legal rights.

Anyone who believes they are eligible for funds can obtain more information on the City Attorney's website at www.sandiego.gov/CityAttorney or at CaliforniaShopperSettlement.com.

The City Attorney's action against Instacart followed a California Supreme Court decision in *Dynamex v. Superior Court* that established a standard for determining whether an individual is an employee or an

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independent contractor under California law. The City Attorney's lawsuit was the first of its kind in the nation against a gig-economy company. Later, the standard set in *Dynamex* was codified in Assembly Bill 5.

The terms of the final judgment also provide for up to \$6 million in civil penalties to be paid to the City Attorney's Consumer Protection Prosecution Trust Fund, to be used exclusively by the City Attorney's Office for the enforcement of consumer protection laws.

This case was handled by Deputy City Attorney Kevin B. King, under the supervision of Senior Chief Deputy City Attorney Mark Ankcorn of the Affirmative Civil Enforcement (ACE) Unit of the City Attorney's Office.

The ACE Unit pursues public interest causes of action on behalf of the People of the State of California under the Unfair Competition Law, including consumer privacy, predatory lending, and unsafe and dangerous products. The ACE Unit enforces laws that protect consumers, employees, and the environment, and advocates for change when existing laws fall short. Through its own litigation and by collaborating with others inside and outside government, the ACE Unit protects public health and safety, restores environmental quality, and sustains economic vitality.

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