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COMMENTARY

*New York City's DoorDash Settlement: The Risks of Automated
Gig-Worker Pay*

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The convenience of the gig economy is undeniable: a few taps can bring a meal, a ride, or even a worker to your door. What is less visible is the increasingly complicated question of who bears the cost when the business model behind that convenience fails to comply with workplace protections. The scale of New York City's recent settlement with DoorDash illustrates that the same technology that allows gig companies to operate efficiently can also magnify compliance failures. When wages are calculated through software across millions of deliveries, an error in how compensable time is defined or calculated can be repeated automatically across an enormous workforce. If underpayments of this scale occurred in New York City, where delivery-worker pay is specifically regulated and monitored, what happens in jurisdictions where no comparable system is watching?

On September 22, 2026, New York City announced a record \$131.5 million settlement with DoorDash for violations of the City's Delivery Worker Laws.¹ The settlement provides relief to more than 260,000 workers who were underpaid, paid late, or, in some instances, not paid at all.² Among the issues underlying the settlement was a disagreement over how DoorDash calculated compensation for the time workers spent logged into the app between deliveries.³ DoorDash acknowledged that it had made mistakes and explained that many payment errors resulted from "technical bugs" or complicated delivery situations.⁴ These errors occurred against the backdrop of New York City's unusually detailed minimum-pay system, which currently requires delivery apps to pay at least \$22.13 per hour under rules governing both trip time and on-call time.⁵ The City also

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¹ N.Y.C. Mayor's Off., *Mayor Mamdani Wins Record \$131.5 Million From DoorDash for Delivery Workers* (Sept. 22, 2026), <https://www.nyc.gov/mayors-office/news/2026/09/mayor-mamdani-wins-record--131-5-million-from-doordash-for-deliv>.

² *Id.*

³ *Id.*

⁴ DoorDash, *Making It Right: Our Settlement with the City of New York* (Sept. 22, 2026), <https://about.doordash.com/en-us/news/dcwp>.

⁵ N.Y.C. Dep't of Consumer and Worker Prot., *Delivery Workers*, <https://www.nyc.gov/site/dca/workers/workersrights/Delivery-Workers.page> (last visited Oct. 7, 2026).

requires delivery apps to submit data that its Department of Consumer and Worker Protection uses to monitor compliance.⁶

DoorDash's explanation is significant because it shows how quickly a technical problem can become a wage compliance problem.⁷ Payroll mistakes are hardly unique to the gig economy, but platform work changes their potential scale. A mistake that might affect one employee's paycheck in a traditional workplace can instead be embedded in a digital compensation system and reproduced automatically across thousands of workers and transactions. A 2020 national survey by the Economic Policy Institute found that 62% of surveyed gig workers had lost pay at least once because of technical difficulties clocking in or out, compared with 19% of traditional W-2 service sector workers.⁸ At the same time, platforms possess enormous amounts of information about when workers log in, which tasks they accept, how long those tasks take, and how their compensation is calculated.⁹ The worker receiving the payment may have far less information about how the platform arrived at the final number.

The imbalance becomes more consequential because gig workers often operate outside the traditional employment framework. Many gig-economy companies classify their workers as independent contractors rather than employees, a distinction that can exclude workers from receiving protections available under wage-and-hour and other employment laws.¹⁰ Scholars have also raised concerns about the growing role of algorithms in determining worker compensation. Professor Veena Dubal has described how digital platforms can use extensive worker data to generate variable and unpredictable pay, a practice she terms "algorithmic wage discrimination."¹¹ The DoorDash settlement does not necessarily involve the same type of individualized wage-setting Dubal describes, but both illustrate a broader problem that technology increasingly mediates how platform workers are paid while workers may have limited ability to understand or challenge those calculations.

New York City's experience with other platforms shows why the design of these compensation systems matters. A 2024 Bloomberg investigation found that Uber and Lyft restricted some New York City drivers from logging onto their apps as the companies responded to the City's minimum-pay formula.¹² Drivers described having little insight into when they would be allowed

⁶ N.Y.C. Dep't of Consumer and Worker Prot., *Minimum Pay Rate for Delivery Workers*, <https://www.nyc.gov/site/dca/workers/Delivery-Worker-Public-Hearing-Minimum-Pay-Rate.page> (last visited Oct. 7, 2026).

⁷ DoorDash, *supra* note 4.

⁸ Ben Zipperer et al., *National Survey of Gig Workers Paints a Picture of Poor Working Conditions, Low Pay*, ECON. POL'Y INST. (June 1, 2022), <https://www.epi.org/publication/gig-worker-survey/>.

⁹ Lena Simet & Amos Toh, *The Gig Trap: Algorithmic, Wage and Labor Exploitation in Platform Work in the US*, HUM. RTS. WATCH (May 12, 2025), <https://www.hrw.org/report/2025/05/12/the-gig-trap/algorithmic-wage-and-labor-exploitation-in-platform-work-in-the-us>.

¹⁰ See *Dynamex Operations W., Inc. v. Superior Court*, 416 P.3d 1, 5–7 (Cal. 2018) (recognizing that whether a worker is classified as an employee or independent contractor determines the applicability of wage and hour protections and adopting the ABC test for employee classification); see also *Razak v. Uber Techs., Inc.*, 951 F.3d 137, 142–47 (3d Cir. 2020) (applying the FLSA's economic-realities test and concluding that factual disputes precluded summary judgment on whether UberBLACK drivers were employees or independent contractors).

¹¹ Veena Dubal, *On Algorithmic Wage Discrimination*, 123 COLUM. L. REV. 1929, 1930–42 (2023).

¹² Natalie Lung et al., *How Uber and Lyft Used a Loophole to Deny NYC Drivers Millions in Pay*, BLOOMBERG (Oct. 10, 2024), <https://www.bloomberg.com/graphics/2024-uber-lyft-nyc-drivers-pay-lockouts/>.

to work again, while Bloomberg found that the practice could reduce the companies' future minimum-pay obligations.¹³ The example is different from DoorDash's payment errors, but the underlying concern is similar: even when governments establish minimum-pay protections, platforms retain substantial technological control over how work is recorded, distributed, and compensated.

The lesson from the DoorDash settlement should therefore extend beyond the size of the check New York City recovered. Minimum-pay laws cannot effectively protect platform workers if neither workers nor regulators can determine how those laws are being translated into automated compensation systems. Jurisdictions choosing to regulate gig-worker pay should pair substantive wage protections with meaningful transparency requirements, including detailed pay records for workers and sufficient access to platform data for regulators to audit compliance. Technology allows the gig economy to operate at extraordinary scale. The systems designed to protect its workers must be capable of operating at that scale too.

¹³ *Id.*