Lyft settles landmark driver misclassification lawsuit for $272.5M

California’s attorney general and three city attorneys announced a $272.5 million settlement with Lyft after allegations that the company “committed wage theft by misclassifying drivers as independent contractors rather than employees” between 2016 and 2020, according to a Thursday statement.

The case dates back to May 2020, when then-Attorney General Xavier Becerra, who is now the Democratic candidate for governor, sued both Uber and Lyft. That lawsuit said the ridehailing companies evaded state law when they declared that their drivers were not employees.

Thursday’s settlement affects only Lyft, while the case against Uber continues.

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