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FOR IMMEDIATE RELEASE

September 18, 2025

TRENTON – Lyft has submitted \$19,435,087.06 in payments to the New Jersey Department of Labor and Workforce Development’s (NJDOL’s) unemployment, temporary disability, family leave insurance trust funds, and workforce development funds after an audit found that the ride-share company improperly classified over 100,000 drivers as independent contractors, depriving them of crucial safety-net benefits by failing to make required contributions from 2014 to 2017.

An audit was triggered when Lyft drivers filed for unemployment insurance (UI) and disability benefits, revealing that Lyft had not made contributions to the state funds on their behalf. By misclassifying the drivers, Lyft impeded their access to essential benefits and protections, including unemployment compensation, temporary disability benefits and family leave benefits.

“New Jersey’s rigorous enforcement of employee classification laws protects workers and law-abiding employers alike,” **said New Jersey Labor Commissioner Robert Asaro-Angelo**. “Misclassification imposes a financial toll on both good actor employers and misclassified workers, who lose critical rights such as minimum wage, overtime pay, workers’ compensation coverage, unemployment insurance, earned sick leave, family leave, and more. Although many allege that being an employee stifles flexibility, this couldn’t be further from the truth. There is no reason temporary or on-demand workers who work flexible hours, or even minutes at a time, can’t be treated like other employees.”

In the audit of Lyft, NJDOL examined the company’s books and records from the four-year period of 2014 to 2017. Lyft was assessed more than \$10.8 million in past due contributions, plus penalties and interest of \$8.5 million. In 2022, Lyft contested NJDOL’s findings, and the case was transmitted to New Jersey’s Office of Administrative Law (OAL) for a hearing.

Lyft initially paid the more than \$10.8 million assessed for contributions to stop the running of interest, while continuing to contest the Department’s assessment. In August 2025, just days before the first hearing date at the OAL, Lyft withdrew its request for a hearing and paid the remaining balance owed of \$8,540,937.25 for penalties and interest.

“We will not allow businesses to exploit workers by misclassifying them, stripping employees of essential benefits and avoiding their responsibility to support programs that protect our workforce,” **said New Jersey Attorney General Matthew J. Platkin**. “This practice undermines our strong labor laws. New Jersey will continue to take strong action to stop misclassification and hold violators accountable. As our economy evolves, we remain steadfast in safeguarding workers’ rights.”

When a worker is misclassified as an independent contractor, they lose rights which they are entitled to as employees, including minimum wage, overtime pay, workers’ compensation coverage, unemployment insurance, earned sick leave, family leave, and other benefits. As independent contractors, workers are not protected by workplace safety laws, equal pay protections, and a host of other employment-related rights. Employers who misclassify workers avoid making mandatory contributions to the UI Trust Fund, leaving every other employer in the state to pay for their delinquency.

All contributions, penalties, and interest received are returned to the funds used to pay workers benefits, and to cover related expenses of administering and protecting the trust funds for all NJ workers and employers.

As a result of the state’s comprehensive efforts to protect its workforce, more than \$300 million in savings were recently delivered to Garden State employers through significant reductions in UI contribution rates. New Jersey’s UI Trust Fund currently exceeds \$3 billion and is one of the strongest UI reserves in the nation.

The resolution of this matter was facilitated by Division of Law Deputy Attorneys General Olivia Mendes, Marcus Mitchell, and Sara Vazquez, under the supervision of Labor Enforcement Section Chief Eve Weissman, and alongside the NJDOL Employer Accounts team, including Assistant Director Chris Pfeffer and Auditor Nawras Haddad.

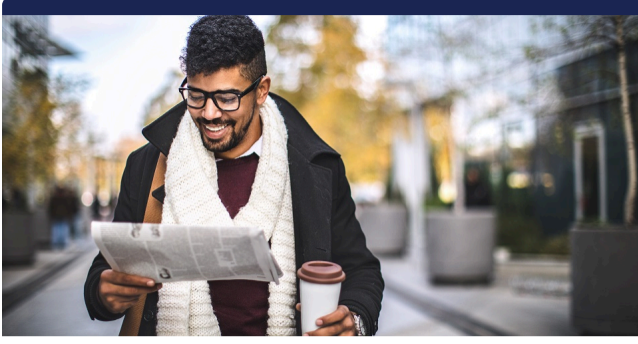
NJDOL and OAG remain committed to protecting the rights of all New Jersey workers and ensuring a fair business environment.

Misclassified workers are not at fault and can find information about their work rights and protections at myworkrights.nj.gov.

Businesses can learn about legal requirements and services at nj.gov/labor.

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