



* IMPORTANT BREAKING EMPLOYMENT LAW NEWS *

The U.S. Supreme Court ruled this morning that employers and employees can have an employment agreement that provides for workers waiving their right to pursue a class claim employment-related action.

The Court ruled that employers do not violate the National Labor Relations Act if as a condition of employment they include in an employment agreement that an employee has to waive class actions and use the agreement's arbitration provision instead of court litigation.

The Court overturned an NLRB ruling. The NLRB had repeatedly held that class waivers of employment claims were illegal. There had been a split among U.S. Circuit Courts of Appeals that had heard the issue, with three Circuit Courts finding it unlawful and three finding it lawful. Employers in the three cases are *Epic Systems Corp.*, *Ernst & Young LLP et al.* and *Murphy Oil USA Inc.*

SH&Q OBSERVATION: *This ruling supports the court avoidance strategy of having an agreement with each employee to utilize arbitration and to waive court proceedings to resolve employment complaints. The majority decision said that arbitration agreements have to be enforced under the Federal Arbitration Act. If your organization has not yet adopted this type of policy or if you wish to revisit your policy to assure it includes latest developments, including class action waivers, contact the SH&Q attorney with whom you regularly work.*

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