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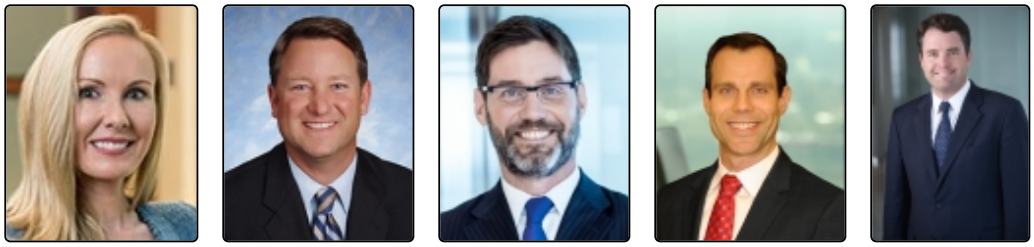
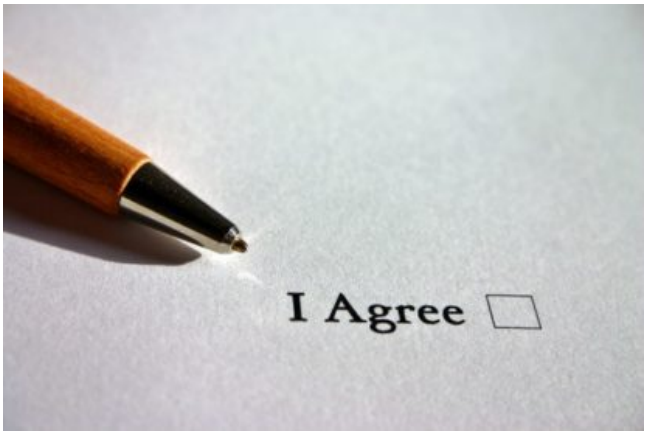
US Supreme Court Affirms Employer Use Of Class Action Waivers In Arbitration Agreements



By Caroline B. Burnett, Michael E. Brewer, William F. Dugan, Jordan Faykus & Arthur Rooney on May 21, 2018

POSTED IN CLASS AND COLLECTIVE ACTIONS, EMPLOYMENT AGREEMENTS, HANDBOOKS AND POLICIES, LABOR AND UNIONS, US, WAGE AND HOUR



Welcome news for employers: companies can require their workers go through arbitration to pursue any legal claims against their employers, rather than go to court or join together in class lawsuits or grievances, **the US Supreme Court held today in a 5-4 vote**.

Writing for the majority in three consolidated cases (*Epic Systems Corp. v. Lewis*, *NLRB v. Murphy Oil USA, Inc.*, and *Ernst & Young LLP v. Morris*), Justice Neil Gorsuch said the Federal Arbitration Act sets a strong policy favoring the enforcement of arbitration agreements, and employees of the three companies failed to show they had any right to disregard the arbitration agreements they signed.

> **The policy may be debatable but the law is clear: Congress has instructed that arbitration agreements like those before us must be enforced as written. While Congress is of course always free to amend this judgment, we see nothing suggesting it did so in the NLRA — much less that it manifested a clear intention to displace the Arbitration Act. Because we can easily read Congress's statutes to work in harmony, that is where our duty lies.**

The ruling means the various companies can enforce their class action waiver agreements and their employees will have to pursue their claims in individual arbitration proceedings. Please stay tuned for more to come from us on the actions employers should take now in response to this important decision.

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