Labor Board Ruling Allows Group Claims In Court

Michele Salcedo, Associated Press

WASHINGTON (AP) — Employers can't require workers to sign arbitration agreements that prevent them from pursuing group claims in court, the National Labor Relations Board said Friday, in a decision that some experts say could have wide repercussions.

The NLRB said agreements that required private sector workers to make claims only as individuals and only to an arbitrator violated their right to join together in "concerted action" under the National Labor Relations Act.

On Jan. 3, the board said D.R. Horton, one of the nation's largest homebuilders, could not require new hires to sign a document agreeing to have all disputes settled on an individual basis through binding arbitration.

The decision prohibits agreements that bar class-action claims in court, but the board said individual claims could still be limited to arbitration.

The New York Times quoted Professor Alex Colvin of the Cornell School of Industrial and Labor Relations as saying the decision was important because arbitration agreements are widespread and because the decision applies both to union and nonunion workers.

Colvin said more than 25 percent of nonunion workers had signed agreements promising to take disputes to arbitration rather than to court.

The board voted 2-0, with one recusal, in favor of the ruling against the Fort Worth, Tx.-based company. The NLRB said Brian Hayes, the board's only Republican, was recused from the case. It did not say why.

There were two vacancies on the five-member board when the vote was taken.

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