



Arbitration Agreements in Union Contracts are Enforceable; US Supreme Court in *Penn Plaza v. Pyett*

4/1/09: The [US Supreme Court](#) ruled that “pre-dispute arbitration agreements” in collective bargaining agreements (union contracts) are enforceable, in [Penn Plaza PLLC v. Pyett](#), 129 S. Ct. 1456 (2009) (5-4 decision).

[Penn Plaza v. Pyett](#)

This was an [age discrimination](#) case under the [Age Discrimination in Employment Act of 1967 \(ADEA\)](#). The plaintiff was a member of a union, and the collective bargaining agreement (union contract) required submitting age discrimination claims to binding [arbitration](#).

The [US Supreme Court](#) had previously ruled, but not in a labor union setting, that arbitration agreements for [ADEA](#) claims were enforceable under the [Federal Arbitration Act](#), 9 U.S.C. sections 3-4 ([Gilmer v. Interstate/Johnson Lane Corp.](#), 500 U.S. 20, 26-33 (1991)). So the real issue in *Penn Plaza* was whether there would be a different result because of the union contract setting and the [National Labor Relations Act](#).

The Supreme Court in *Penn Plaza*, in a divided decision (5-4), held that the arbitration agreement contained in the union contract was enforceable.

[Proposed Legislation to Overturn the Decision](#)

The enforceability of arbitration agreements for employment disputes has been a political hot potato, and The [Arbitration Fairness Act of 2009](#) (H.R. 1020) was introduced in the US House on February 12, 2009. The bill has 36 co-sponsors, and has been referred to the House Committee on the Judiciary. If it passes, it would essentially overrule *Penn Plaza* and other cases which have held that employment dispute arbitration agreements are enforceable.

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Arbitration Agreements in Union Contacts are Enforceable; US Supreme Court in Penn Plaza v. Pyett

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