HINMAN STRAUB P.C.

(((LEGAL ALERT)))

Court of Appeals Says “No-Layoff” Clause is Not Arbitrable

Is your public sector union currently in the collective bargaining process? Are you certain that the “no-layoff” clause you are negotiating will completely protect your members from layoffs?

On November 17, 2011, the New York State Court of Appeals handed down an important decision in two cases addressing “no-layoff” clauses in local collective bargaining agreements.

The collective bargaining agreement (CBA) at issue in this case provided that the village “would not layoff any member of the bargaining unit during the contract term.” The CBA also contained an arbitration clause. The dispute arose after the village abolished the positions of six firefighters. Two lower courts ruled in favor of the unions.

The decisions of both the Supreme Court and Appellate Division, Third Department were reversed by the Court of Appeals.

The Court found that “the clause [did] not comprehensively prohibit the Village from abolishing firefighter positions, and, given its narrow and limited language, it cannot be construed as such.”

The Court said that “no-layoff” clauses must be “explicit, unambiguous and comprehensive” in order to overcome abolition of positions by municipalities made out of budgetary necessity.

The Court found that the “no -layoff” clause contained in the parties’ collective bargaining agreement was not arbitrable and therefore the Village’s abolitions were not subject to arbitration.

For more information about this decision, or to find out whether your Union’s “no-layoff” clause will stand-up to judicial scrutiny, please contact John Saccocio at 518-436-0751 or jsaccocio@hinmanstraub.com