

## **Is an arbitration provision in your employee handbook enforceable?**

The recent New Jersey Appellate Division decision in *Morgan v. Raymours Furniture Co.* has left little doubt that arbitration provisions contained in employee handbooks are unlikely to be enforceable.

In the past, many employers have included arbitration agreements within their employee handbooks with the intention of requiring personnel to waive their right to bring certain types of legal claims in court and, instead, have their claims heard by an impartial arbitrator. The idea of having a case (and damages) decided in arbitration by a legal professional is usually more appealing to employers when compared to the uncertainty and publicity of an often more expensive and time-consuming jury trial. However, thanks to the Appellate Division's decision, it is now quite clear that any employer serious about requiring arbitration should have their employees sign a separate, stand-alone, arbitration agreement. The outcome of this decision is also an important reminder that employers should have their employee handbooks and other employee documents reviewed from time to time by counsel to ensure compliance with the ever-changing federal and state employment laws.



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