



Can PAGA Claims Be Arbitrated in California? author Allyson Thompson, Esq., Risk Management Magazine, June 9, 2022

In late December 2021, the Supreme Court of the United States (SCOTUS) agreed to decide the issue of whether the Federal Arbitration Act (FAA) requires enforcement of a mutual arbitration agreement providing that an employee cannot raise representative claims, including under the California Private Attorneys General Act (PAGA). The decision could have important implications for corporate employment agreements and wage and hour policies and practices.

What Is PAGA?

California's Labor Code Private Attorneys General Act (PAGA) authorizes aggrieved employees to file lawsuits to recover civil penalties on behalf of themselves and other employees, and the State of California for Labor Code violations. Typical claims are that employees are not paid wages in a timely fashion for all hours worked, and not provided with legally compliant meal and rest breaks, among other wage claims. PAGA actions are brought as collective actions, so an employee files suit on behalf of all similarly situated employees. PAGA actions are very concerning for employers because unlike class actions, which can be barred by having employees sign arbitration agreements with class action waiver provisions, presently PAGA actions cannot not be waived by way of an arbitration agreement. However, the SCOTUS decision in Moriana v. Viking River Cruises, Inc. may change that rule. Please read full article KD

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