

Wisconsin Passes "Right-to-Work" Legislation; Bars Union Security Provisions in Collective Bargaining Agreements

Recently, Wisconsin became the 25th state to pass "Right-to-Work" legislation. Wisconsin joins fellow Midwestern states Michigan and Indiana, which enacted similar statutes in 2012. Federal law, through the Taft-Hartley Act of 1947, first authorized states to pass such laws.

Wisconsin's new law, 2015 Wisconsin Act 1 ("Act 1"), bars unions and employers from including "union security" clauses in their collective bargaining agreements. A union security clause mandates that every employee within the bargaining unit must pay union dues; failure to pay those dues results in termination of employment. But under Act 1, no union or employer may, "as a condition of obtaining or continuing employment," force any person to "become or remain a member of a labor organization" or "pay any dues, fees, assessments, or other charges or expenses of any kind or amount, or provide anything of value, to a labor organization."

Act 1 also affects "checkoff" authorizations. When an agreement includes a dues checkoff provision, employees may give written consent for an employer to deduct union dues from their paycheck. The employer then remits the dues directly to the union. Prior to Act 1, an employee could only rescind the consent on the yearly anniversary of when the employee first signed the authorization. Under Act 1, however, employees may terminate such deductions at any time so long as they give the employer 30 days' written notice.

The changes brought by Act 1 will be gradually phased in. New agreements must comply with Act 1; for unions and employers with existing collective bargaining agreements, Act 1 will apply upon "the renewal, modification, or extension" of such agreement that occurs on or after Act 1's effective date. Moreover, legal challenges to both the union security and checkoff provisions of Act 1 can be expected, and such challenges may affect the statute's applicability.

If you have any questions about the topics covered in this e-alert, please contact your Reinhart attorney or Labor and Employment shareholder <u>Robert S. Driscoll</u>.

POSTED:

Mar 31, 2015

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