

In Collective Bargaining Agreement, Longevity Pay Increase Clause Can Outlive Contract

A recent case from the National Labor Relations Board shows that American labor law, including principles that apply to collective bargaining agreements, is not always as straightforward as basic contract law, points out Barnes & Thornburg in a **recent post**.

The contract included a clause setting “longevity pay increases” for workers who reached certain tenure milestones with the company.

“The employer and union were meeting to negotiate a successor contract, and the agreement expired in the interim,” explains **David J. Pryzbylski**. “Once the labor agreement expired, the company ceased offering longevity pay increases on grounds that there was no agreement in effect that provided for such increases.”

The NLRB, however, found that a company generally must continue to offer employees the terms set forth under a collective bargaining agreement when it expires and while negotiations for a new contract are underway.

Read the article.