

Legal Update

Brought to you by: MST Insurance Solutions, Inc.



Biden Signs Law Against Arbitration and Waivers of Sexual Harassment and Assault Claims

On March 3, 2022, U.S. President Joe Biden signed the [Ending Forced Arbitration of Sexual Assault and Sexual Harassment Act](#) into law. Effective immediately, the new law prohibits employers from requiring employees to resolve claims of workplace sexual harassment or assault through arbitration or other alternatives to court litigation, or to waive them in advance.

Ending Forced Arbitration Act

Under the new law, an employer may not enforce a pre-dispute arbitration agreement or pre-dispute joint-action waiver against a person who files a case alleging sexual harassment or sexual assault in a federal, state or tribal court. An individual making a claim of sexual harassment or assault may choose to participate in arbitration or other litigation alternatives, but may not be required to do so.

Covered Disputes

Whether the new law applies to a particular dispute will be determined under federal law and that determination will be made by a court, not an arbitrator. The Act will apply to any dispute or claim arising after March 3, 2022.

The law applies specifically to cases involving sexual harassment and assault. It does not apply to sex discrimination or other types of harassment or assault. Therefore, it does not prohibit employers from using mandatory arbitration agreements or waivers in other employment-related claims or lawsuits.



Highlights

Ending Force Arbitration Act

The U.S. President enacted a new law that requires most workplace sexual harassment and assault claims to be resolved by courts rather than through arbitration.

Similar State Laws

Some states already have laws that prohibit arbitration agreements for sexual harassment and assault claims.

***The new law makes
all pre-dispute
arbitration and
waiver agreements for
workplace sexual
harassment and
sexual assault claims
unenforceable.***