

Employees win right to bypass arbitration

By Bob Egelko, San Francisco Chronicle

Employees in California can file whistle-blower claims against their employers on behalf of themselves and their fellow workers, a federal appeals court ruled Monday in a long-sought victory for employees confronting a case-by-case, business-friendly arbitration system.

The 2-1 ruling by the Ninth U.S. Circuit Court of Appeals in San Francisco followed last year's California Supreme Court decision, in a separate case, allowing employees to invoke the Private Attorney General Act against employers who violate state labor laws. That law sets monetary penalties for violations – typically, \$100 per employee for each pay period of violations and \$200 per employee for repeated violations – and awards 25 percent of the money to the employees, and the rest to the state.

Employees can rely on that law, the state court said, even if their employment contract required all workplace disputes to be resolved in individual arbitrations before a private panel, with little right to appeal.

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