

Indiana Adopts Right-to-Work Law

By Michael W. Padgett

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Indiana's new right-to-work law amends the Indiana Code to prohibit collective bargaining agreements that would require workers to pay union dues or fees. The new law, signed by Indiana Governor Mitch Daniels on February 1, 2012, applies to any written or oral contract or agreement entered into, modified, renewed, or extended after March 14, 2012. It does not apply to or abrogate a written or oral contract or agreement in effect on March 14, 2012.

With passage of the Indiana law, right-to-work is on the books in 23 states. This is the second time Indiana has passed a right-to-work law. It adopted right-to-work in 1957, but repealed it in 1965. Other right-to-work states include Virginia, Florida, and Texas.

Supporters of the new law say right-to-work helps to create a pro-business environment that attracts employers (and jobs) to the state. Critics counter that such laws lead to lower wages for workers.

With the passage of the right-to-work law, employees in Indiana working under a collective bargaining agreement entered into after March 14, 2012, may elect not to join unions and pay union dues or fees. Additionally, employees may opt out of membership and dues payment once the agreement governing their employment is modified after March 14, 2012. Employers should be aware that the new law may affect negotiations pursuant to any contract re-opening provisions or other instances in which negotiations occur with respect to an existing collective bargaining agreement.

For more information about the new law and how it may affect employers in Indiana, please contact the Jackson Lewis attorney with whom you regularly work.

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