



## This Is The Clause That Always Ends, It Stops Here And Now, My Friends

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Last week I profiled a case illustrating a circumstance where a company was forced to continue honoring a contractual clause [even though its labor agreement had expired](#). As luck would have it, the National Labor Relations Board (NLRB) just issued a [new decision](#) in which a company was found to be in the right when it ceased offering a benefit under an expired contract. Comparing this new case with the prior one can provide some valuable labor law insight for companies.

The new case involves the Pittsburgh Post-Gazette newspaper and labor agreement clauses applicable to its employees' healthcare premiums. The contract expired while negotiations for a new one were ongoing. A union-sponsored health fund provided insurance to the employees. Under the expired agreement, the company had agreed to pay a specific amount per employee towards insurance in 2015 and agreed to a cap on any increases in 2016 and 2017. The agreement was silent as to future years.

After the agreement expired in 2017, the union health fund requested another increase from the employer for 2018, as it had done in 2016 and 2017. The employer refused to contribute any increase, however, on grounds that the expired labor agreement only had language for any increases in 2016 and 2017. In other words, the employer argued that the expired contract's silence on increases post-2017 meant it was not on the hook for any such increases.

The NLRB agreed. The Board specifically analyzed the issue and ruled as

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follows:

“The issue presented here is whether the [company] changed a term or condition of employment when it maintained its contributions to the Fund at the 2017 rate rather than increasing its contributions after 2017...[The company] argues that it did not change a term or condition of employment but rather maintained the status quo. It contends that its contractual obligation to increase contributions to the Fund for 2016 and 2017 did not create a mandate to continue increasing its contributions to the Fund after 2017. We find merit in the [company’s] exception...**An employer has a contractual duty to adhere to the terms of an agreement as long it remains in force...**[and] an employer still has a statutory duty to maintain the status quo on mandatory subjects of bargaining until the parties reach a new agreement or a valid impasse... We first find that the [company] did not abrogate any contractual duty to increase Fund contributions for Editorial and Operating Engineers unit employees after 2017. The continuing agreements covering these units established a baseline contribution level for 2015 and required the [company] to pay contribution increases for 2016 and 2017 only. **They made no provision for any additional increases in subsequent years.** Thus, the [company] was not obligated to comply with the Fund’s contribution-increase request for 2018.” (Emphasis added.)

This case reinforces that many nuances come into play when unionized companies are operating under expired labor agreements. Companies can analyze their obligations in such circumstances, including a careful evaluation of the language in their expired contracts, as illustrated by the language and facts present in this case compared to [last week’s case](#).