

CLIENT ALERT: Massachusetts Appeals Court Finds Wage Act Claim Subject to Arbitration

In a recent opinion, *Dixon v. Perry & Slesnick, P.C.*, the Massachusetts Appeals Court held that a claim under the Massachusetts Wage Act, Mass General Laws ch. 149, § 148 (the "Wage Act"), is subject to a mandatory arbitration provision in the parties' employment agreement. This decision is consistent with recent jurisprudence finding that statutory claims may be subject to arbitration provided that the parties have agreed to arbitrate such claims.

Plaintiff Dixon was a dentist who worked for a dental practice. She and the dental practice executed an employment agreement which included a mandatory arbitration provision. After resigning, Dixon sued the practice for breach of contract and violation of the Wage Act. Defendants moved to compel arbitration. Dixon conceded that her breach of contract claim was subject to arbitration but argued that her Wage Act claim was not.

The Appeals Court relied on the Massachusetts Supreme Judicial Court case of *Warfield v. Beth Israel Deaconess Medical Center* (see [MBJ Client Alert dated July 29, 2009](#)) in finding that statutory claims may be subject to arbitration. Further, the *Dixon* Court found that Dixon's claim was, in fact, subject to the parties' arbitration agreement since her claim arose directly from her rate of compensation, which was a term directly in her employment agreement.

In holding Dixon's claim subject to mandatory arbitration, the Appeals Court made two notable comments. First, the Court noted that a mandatory arbitration provision would not prevent an aggrieved individual from filing a wage complaint with the Attorney General (although the Court left open what remedial powers the Attorney General would have in such circumstances). Second, according to the Court, in ruling on the case at arbitration, the arbitrator has the authority to award all the remedies available under the Wage Act, including treble damages and attorneys' fees.

Employers are reminded to consult with their Morgan, Brown & Joy attorney about the benefits of arbitration agreements, as well as drafting and enforcing them.

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