

S.4516 (Fernandez)/A.581 (Rozic)

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BILL S.4516 (Fernandez)/A.581 (Rozic)
SUBJECT Relates to violations of nondisclosure agreements in certain settlement agreements
DATE June 01, 2023
OPPOSE

The Business Council, on behalf of its 3,200 members, opposes this bill that would limit the use of non-disclosure provisions in settlement agreements unless the complainant requests such provisions be included.

In instances of unlawful workplace harassment, it is the obligation of the employer to protect employees by ensuring that any unlawful behavior first and foremost is stopped. Employers engage in annual training and vigorous enforcement of anti-harassment policies to protect employees and ensure the end of any harassing

behavior. It is hoped that, as harassing behavior ends, the employee can continue to have a lasting and productive working relationship with the employer.

From time to time, however, the employment relationship ends as a result of the unlawful behavior. In these unfortunate instances, employers generally offer a settlement in recognition of the employee's suffering at the hands of an abuser. This is often the preferred resolution for both the employer and the employee.

In exchange for this settlement, employers often seek non-disclosure agreements. An employer paying a settlement as the result of the unlawful behavior of one of its employees would not want the behavior of that individual to tarnish the reputation of an otherwise good corporate citizen. By barring the use of non-disclosure agreements, the legislature would be removing an incentive for employers to offer such settlements – negatively impacting both the employer and the complainant.

For these reasons, The Business Council opposes this bill.

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