



Beware Of The Small Print! CARES Act Provide Boons To Labor Unions

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Tucked away deep into the recently enacted [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#) are two provisions that will be of special importance to mid-sized employers who want to take advantage of the generous loans that the act offers, but are party to a collective-bargaining agreement or anticipate a union organizing campaign in the near future.

Sections 4003(D)(i)(IX)-(X) of the CARES Act provide that employers of between 500 and 10,000 employees – if they desire to take advantage of the loans the act offers – will have to agree to abide by two conditions specifically relating to labor unions. Specifically, a recipient of such loans must agree that:

- “[T]he recipient will not abrogate existing collective-bargaining agreements for the term of the loan and 2 years after completing repayment of the loan”
- “[T]he recipient will remain neutral in any union organizing effort for the term of the loan.”

In other words, for mid-sized employers wanting to take advantage of generous loans offered by the CARES Act, any collective-bargaining agreements they currently have in place must remain in place for the term of the loan *plus two years*. Moreover, such employers will not be permitted to

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campaign against any unions attempting to organize their employees during the term of the loan.

Unions may use the neutrality condition in particular as an opportunity to step up organizing efforts against mid-sized employers taking advantage of the loans offered by the CARES Act. The employer's right to campaign against union organizing drives is an important one, and often is the only opportunity for employees to get information to counter unions' one-sided campaigning.

In this time of need, many mid-sized employers will justifiably take advantage of the generous financial lifeline offered in the CARES Act, but it is important that these employers be aware of the dreaded "small print" that comes along with these loans, and to be on the lookout for union organizing drives.