

## Closing the Window on Employment Lawsuits: Agreements to Shorten the Statute of Limitations

Publication 3.01.06

Perhaps the most popular (and most litigated) alternative to litigation is mandatory arbitration. Arbitration, however, is not a panacea and can sometimes prove to be just as costly and unpredictable as traditional court litigation. Another contractual option, which is the subject of this article, is modifying the otherwise applicable limitations period for bringing suit. This article will discuss a recent decision by the Michigan Court of Appeals concerning such an agreement and the implications of the decision for employers. Also explored in this article will be the advantages and drawbacks of contractual modification of the limitations period and tips for how to maximize the enforceability of such a provision.

This article appeared in the Vol. 20 No. 3 Spring 2006 issue of the <u>Committee on Corporate Counsel</u> Newsletter.