

# Alert – Union Dues



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## Labor Law Alert – Union Dues

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On 06/29/2018, the Brazilian Supreme Court (“STF”) dismissed 20 direct challenges of unconstitutionality (ADIN n. 5794), which had been filed by various union entities, by a majority (6 votes to 3). The court declared the constitutionality of the point of Labor Reform (Law 13,467/2017), which eliminated the mandatory nature of paying union dues.

As a reminder, in short, with the advent of Labor Reform (on 11/13/2017), union dues became voluntary, and the interested party must now expressly consent to having labor dues withheld to be paid to their respective union, whether the employer or employee. This represents a new paradigm to the way the Brazilian labor union system will finance itself, which could potentially have a major impact on the union structure as a whole.

Under these circumstances, even though appeals are still possible, the Supreme Court’s ruling is an important step towards settling this matter; in addition, of course, to the law now being fully in force, until and unless a future court decision to the contrary is handed down.



We remain at your disposal should you require any further clarification.

Sincerely,

Juliano Castro

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*\*\*\* This memo is exclusively for informational purposes and contains no opinion, recommendation, or legal advice on the part of Santos Bevilaqua Advogados with respect to the matter addressed herein.*

