Basic Guide to Closed Shop Agreements

A type of collective agreement, a closed shop agreement requires non-union workers to join the union or face dismissal.

**Application**

The Labour Relations Act applies to all employers, workers, trade unions and employers' organisations, but does not apply to:

- members of the:
  - National Defence Force;
  - National Intelligence Agency; or

**See**

- Labour Relations Act
  
  Applies to all workers and employers and aims to advance economic development, social justice, labour peace and the democracy of the workplace.

**What is a Closed Shop Agreement?**

A closed shop agreement is a type of collective agreement that requires non-union workers to join the union.

**Parties**

A closed shop agreement is a type of collective agreement concluded by:

- a majority trade union (or more trade unions whose members are a majority of the workers employed), and
- an employer or employers' organisation.

**Dismissal**

Under a closed shop agreement, non-union workers must join the union or face dismissal.

If a union expels a member or refuses to allow a new worker to become a union member, and if this expulsion or refusal is in accordance with the union’s constitution or is for a fair reason, then the employer will have to dismiss the worker. This dismissal is not considered unfair.

**Conscientious Objectors**

Conscientious objectors (workers who refuse to belong to a union on the grounds of conscience) may not be dismissed for refusing to join the union.

**Legal Force**

A closed shop agreement is legally binding only if:

- 2 thirds of the workers have voted in favour of the agreement;
- workers are not required to be trade union members prior to employment; and
- subscriptions and levies are only used to advance or protect the socio-economic interests of workers.

**Related Links**

- Basic Guide to Agency Shop Agreements
- Basic Guide to Collective Agreements
- Basic Guide to Employers' Organisations
- Under the Labour Relations Act, employers may form or join groups that represent employers in collective bargaining
- Basic Guide to Trade Unions
  
  Trade unions are necessary for bargaining for workers' rights and benefits and they regulate industrial relations.