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With NYC Hotel CBA Expiring, Employers Should Prepare for a Tough Bargain

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Key Take: *The existing CBA is considered among the most union-favorable agreements in the country, with strict limits on management operations and robust job protections for over 28,000 employees.*

At midnight on June 30, 2026, the collective bargaining agreement (CBA) between the Hotel Association of New York City, Inc. (Employer) and the New York Hotel and Motel Trades Council, AFL-CIO (Union) will expire. The Union estimates that 28,000 employees in the industry are covered by the CBA. The significance of this negotiation cannot be underestimated: it is the first full negotiation between the parties since the 2012 CBA was negotiated.

There is no question that the non-economic terms and conditions of the CBA, when compared to almost all other collective bargaining agreements, are among the most favorable to any union or industry nationwide. The CBA provides very extensive job security protections, as well as very significant restrictions on management's right to operate their businesses. In 2015 the parties negotiated a Memorandum of Understanding (MOU), which is currently in effect, that primarily addressed economic issues such as wages, pensions, and health benefits. Possibly to counter union and employee advantages, the MOU provided for very small annual wage increases of between 2.36% to 2.75% increases in each of the most recent seven years of 2019-2025.

Both parties have already begun to articulate their bargaining positions and goals. Union President Rich Maroko published a letter stating that the Union "has been preparing and setting the stage for these negotiations for years." In reactivating the Hotel Employees Action Team (HEAT) — involving the appointment of a "HEAT Captain" at each location who will be responsible for communicating the status of the negotiations to and gaining the support of Union members — Mr. Maroko stated:

> "We know what we need to win in 2026, and it's a lot. At the top of a long list are higher wages and the money we need to secure our medical and pension benefits. No one should be under the illusion that this will be easy. We need to be ready to fight..."

In response, Employer CEO Vijay Dandapani identified the "tremendous headwinds" confronting the industry, including "skyrocketing costs, the highest taxes in the country, significant decreases to international tourism."

This seems to be shaping up as a battle between two heavyweights, and it may result in a difficult result for one or both parties to live with. A work stoppage is not beyond the realm of possibility. If the economic settlement of the new CBA were to emulate the very pro-union and pro-employee non-economic terms of the current CBA, then employers may be caught between the proverbial rock (the Union) and the hard place (the marketplace).

Employers would be advised to closely monitor these negotiations and to be prepared, just in case there may be any work stoppage or work interruption. We will update our readers on the status of negotiations.