### **NOTICE TO THE BAR**

# SUPREME COURT ACTION ON THE RECOMMENDATIONS OF THE JOINT WORKING GROUP ON ARBITRATION RULES AND PROCEDURES – AMENDMENTS TO RULES 4:21A-2, 4:21A-4, 4:21A-6; INCREASED ARBITRATOR COMPENSATION; INCREASED TRIAL DE NOVO FEE; ADDED ECOURTS FUNCTIONALITY

The Supreme Court has taken the following actions on the <u>Recommendations</u> of the Joint Working Group on Arbitration Rules and Procedures:

- Increase in Arbitrator Compensation Rule 4:21A-2 ("Qualification, Selection, Assignment and Compensation of Arbitrators") is amended so as to increase per diem arbitrator compensation from \$350 to \$400 for a single arbitrator and from \$450 to \$650 for a two-arbitrator panel.
- Page Limitations for Arbitration Statements Rule 4:21A-4(a) ("Conduct of Hearing – Prehearing Submissions") is amended so as to limit the length of arbitration statements to five pages, with exhibits not to exceed 35 pages.
- 3. Approval of a 10-Day Grace Period to File a Motion for Trial de Novo - Rule 4:21A-6 ("Entry of Judgment; Trial De Novo") is amended so that a party who misses the 30-day window to file a demand for trial de novo will receive an additional 10 days to file a motion to reject an arbitration award and demand a trial de novo as within time upon establishing good cause. The motion will be accompanied by a motion fee and the trial de novo fee. Motions filed beyond the 10-day time frame shall be subject to a showing of extraordinary circumstances to be entitled to relief. If timely filed and granted, all other timelines set forth in the rule and the trial date would remain the same.

The Court also adopted an **Official Comment** to Rule 4:21A-6(b)(2) that a showing of good faith post-arbitration efforts to resolve a matter through settlement may constitute good cause.

1

4. Increase in Trial de Novo Fee - Rule 4:21A-6 ("Entry of Judgment; Trial De Novo") is further amended so as to increase the fee for filing a trial de novo from \$200 to \$265.

In addition to these actions, eCourts functionality has been created to send electronic notifications seven days prior to the expiration of the time frame for filing a demand for a trial de novo to serve as a reminder to attorneys. Attorneys are reminded that when filing such demand, they must select the "Miscellaneous Documents" Filing Type and "Request for De Novo Trial" Filing Description.

The Court's June 24, 2025 Order amending Rules 4:21A-2, 4:21A-4, and 4:21A-6 is attached. The amendments are effective July 1, 2025.

Questions regarding this notice may be directed to the AOC Civil Practice Division at (609) 815-2900 ext. 54900.

Michael J. Blee, J.A.D. Acting Administrative Director of the Courts

Dated: June 24, 2025

### SUPREME COURT OF NEW JERSEY

It is ORDERED that the attached amendments to Rules 4:21A-2 ("Qualification, Selection, Assignment and Compensation of Mediators"), 4:21A-4(a) ("Conduct of Hearing – Prehearing Submissions"), and 4:21A-6 ("Entry of Judgment; Trial De Novo") of the Rules Governing the Courts of the State of New Jersey are adopted to be effective July 1, 2025.

For the Court, 0 **Chief Justice** 

Dated: June 24, 2025

## Rule 4:21A-2. Qualification, Selection, Assignment and Compensation of <u>Arbitrators.</u>

- (a) <u>Inclusion on Roster.</u> ... no change.
- (b) <u>Assignment by Stipulation.</u> ... no change.
- (c) <u>Assignment from Roster.</u> ... no change
- (d) <u>Number of Arbitrators.</u> ... no change.
- (e) <u>Compensation of Arbitrators.</u>

(1) <u>Assigned Arbitrators.</u> Except as provided by subparagraph (2) hereof, a single arbitrator designated by the civil division manager, including a retired judge not on recall, shall be paid a per diem fee of [\$350] <u>\$400</u>. Two-arbitrator panels shall be paid a total per diem fee of [\$450] <u>\$650</u>, to be divided evenly between the panel members.

(2) <u>Stipulated Arbitrators.</u> Arbitrators stipulated to by the parties pursuant to R. 4:21A-2(a) shall be compensated at the rate of \$70 per hour but not exceeding a maximum of [\$350] <u>\$400</u> per day. If more than one stipulated arbitrator hears the matter, the fee shall be \$70 per hour but not exceeding [\$450] <u>\$650</u> per day, to be divided equally between or among them. The parties may, however, stipulate in writing to the payment of additional fees, such stipulation to specify the amount of the additional fees and the party or parties paying the additional fees.

**Note:** Adopted November 1, 1985 to be effective January 2, 1986; paragraph (a); amended November 7, 1988 to be effective January 2, 1989; paragraphs (a) and (b); amended July 10,

1998 to be effective September 1, 1998; caption; amended, paragraph (c); amended, and new paragraph (d) adopted July 5, 2000 to be effective September 5, 2000; paragraphs (b) and (d)(1); amended, and former paragraph (d)(3) deleted July 12, 2002 to be effective September 3, 2002; paragraphs (b), (c), (d)(1), and (d)(2); amended July 28, 2004 to be effective September 1, 2004; paragraph (b); amended July 27, 2006 to be effective September 1, 2006; paragraph (b); amended July 28, 2017 to be effective September 1, 2017; paragraph (b); amended July 27, 2018 to be effective September 1, 2018; new paragraph (a) adopted, former paragraph (a) caption and text; amended and redesignated as paragraph (b), former paragraph (c) caption and text; amended and redesignated as paragraph (c), former paragraph (c) caption and text; amended and redesignated as paragraph (d) redesignated as paragraph (e), and subparagraph (e)(1) caption; amended July 31, 2020 to be effective September 1, 2020; subparagraphs (e) (1) and (e)(2) amended June 24, 2025 to be effective July 1, 2025.

## Rule 4:21A-4. Conduct of Hearing

(a) <u>Prehearing Submissions.</u> At least 10 days prior to the scheduled hearing each party shall exchange a concise statement of the factual and legal issues, in the form set forth in Appendix XXII-A or XXII-B to these rules, and may exchange relevant documentary evidence. <u>Arbitration statements shall not exceed</u> <u>five pages, with exhibits not to exceed 35 pages.</u> A copy of all documents exchanged shall be submitted to the arbitrator for review on the day of the hearing.

(b) Powers of Arbitrator. ... no change.

(c) Evidence. ... no change.

(d) General Provisions for Hearing. ... no change

(e) Subsequent Use of Proceedings. ... no change

(f) Failure to Appear. ... no change.

**Note:** Adopted November 1, 1985 to be effective January 2, 1986; paragraph (a); amended July 10, 1998 to be effective September 1, 1998; paragraphs (a) and (d); amended, and new paragraph (f) adopted July 5, 2000 to be effective September 5, 2000; paragraph (f); amended July 23, 2010 to be effective September 1, 2010; paragraph (f); amended August 1, 2016 to be effective September 1, 2016; paragraph (a) amended June 24, 2025to be effective July 1, 2025.

#### <u>Rule 4:21A-6.</u> <u>Entry of Judgment; Trial De Novo.</u>

(a) <u>Appealability.</u> ... no change.

(b) <u>Dismissal.</u> An order shall be entered dismissing the action following the filing of the arbitrator's award in the court's electronic filing system unless:

(1) within 30 days after filing of the arbitration award, a party thereto files with the civil division manager and serves on all other parties a notice of rejection of the award and demand for a trial de novo and pays a trial de novo fee as set forth in paragraph (c) of this rule; or

(2) a motion to file a rejection of an arbitration award and demand for a trial de novo as within time is filed within 10 days of the date that the notice of rejection of the award was due. A motion shall be accompanied by the filing fee for the motion plus the trial de novo fee. The movant shall be required to establish good cause to be entitled to such relief. Motions filed beyond the 10-day time frame shall be subject to a showing of extraordinary circumstances to be entitled to relief; or

[(2)] (3) within 50 days after the filing of the arbitration award, the parties submit a consent order to the court detailing the terms of settlement and providing for dismissal of the action or for entry of judgment; or

[(3)] (4) within 50 days after the filing of the arbitration award, any party moves for confirmation of the arbitration award and entry of judgment thereon.

The judgment of confirmation shall include prejudgment interest pursuant to R. 4:42-11(b).

(c) <u>Trial De Novo.</u> An action in which a timely trial de novo has been demanded by any party, or where relief to file a notice of rejection of the award <u>and demand for a trial de novo as within time has been granted</u>, shall be returned, as to all parties, to the trial calendar for disposition. A trial de novo shall be scheduled to occur within 90 days <u>of the date the trial de novo is deemed filed</u> [after the filing and service of the request therefor]. A party demanding a trial de novo must submit with the trial de novo request a fee in the amount of [\$200] <u>\$265</u> towards the arbitrator's fee and may be liable to pay the reasonable costs, including attorney's fees, incurred after rejection of the award by those parties not demanding a trial de novo. Reasonable costs shall be awarded on motion supported by detailed certifications subject to the following limitations:

- (1)  $\dots$  no change.
- $(2) \dots$  no change.
- $(3) \dots$  no change.
- (4)  $\dots$  no change.
- $(5) \dots$  no change.
- (d) <u>Attorney Fees.</u> ... no change.

**Note:** November 1, 1985 to be effective January 2, 1986; paragraph (c) amended November 5, 1986 to be effective January 1, 1987; paragraphs (b)(1) and (c) amended November 2, 1987 to be effective January 1, 1988; paragraph (c)(5) amended November 7, 1988 to be effective January 2, 1989; paragraphs (b)(1) and (c) amended July 14, 1992 to be effective September 1, 1992; paragraph (c) amended May 3, 1994 to be effective July 1, 1994; paragraph (b)(1) amended July 10, 1998 to be effective September 1, 1998; paragraphs (b) and (c) amended July 5, 2000 to be effective September 5, 2000; paragraph (c) amended June 7, 2005 to be effective immediately; new paragraph (d) adopted July 19, 2012 to be effective September 4, 2012; paragraph (c) amended May 30, 2017 to be effective immediately; paragraph (b) amended July 15, 2024 to be effective September 1, 2024; new subparagraph (b)(2) added, former subparagraphs (b)(2) and (3) redesignated, and paragraph (c) amended June 24, 2025 to be effective July 1, 2025.

## OFFICIAL COMMENT (June 24, 2025)

With regard to the good cause requirement set forth in new paragraph (b)(2) (as adopted June 24, 2025 to be effective July 1, 2025), a showing of good faith post-arbitration efforts to resolve a matter through settlement may constitute good cause.