

Frequently Asked Questions



Arbitrator Honorarium

Q. As an arbitrator on the FINRA Dispute Resolution roster, am I entitled to compensation for my service?

A. Yes, arbitrators are compensated at the rate of \$300 per hearing session, with an additional \$125 per day if acting as Chairperson at the hearings on the merits.

Q. Does the additional \$125 per day paid to an arbitrator acting as Chairperson apply to prehearing conferences?

A. No, the additional \$125 per day for Chairpersons applies only to evidentiary hearings.

Q. What is considered a “hearing session?”

A. A hearing session is any meeting between the parties and the arbitrator(s), including a prehearing conference with an arbitrator, which lasts four hours or less.

Q. Can two hearing sessions be held in a single day?

A. Yes, in many instances, evidentiary hearings are scheduled for four hours in the morning and four hours in the afternoon. When two, four-hour sessions are held in a single day, an arbitrator’s honorarium is \$600, or \$725 if the arbitrator is acting as Chairperson.

Q. So, that means an arbitrator can make \$725 a day – maximum – and that includes serving as Chairperson. That figure is considerably lower than the amount paid by other dispute resolution forums. Can I demand my hourly rate, as I do in the other forums?

A. No, the arbitrators’ honorarium is set at a fixed rate. Arbitrators should not ask the parties, or the FINRA staff member assigned to the case, to pay a higher rate.

Q. What is the arbitrator honorarium for deciding a case when no hearing is held?

A. Under FINRA’s simplified arbitration rules, arbitrators receive \$350 for deciding a case based on the pleadings and other materials submitted by the parties, when no hearing is held.

Q. Who is responsible for collecting my fees from the parties?

A. Unlike other forums, FINRA Dispute Resolution pays the arbitrator honorarium for members of its roster from fees collected from the parties. Parties do not pay arbitrators directly. This is another important reason why arbitrators should not discuss any issue regarding their honorarium with the parties or their representatives.

Q. Am I a FINRA employee?

A. No, arbitrators are independent contractors, not employees of FINRA. As such, arbitrators are not eligible to receive any unemployment benefits or any FINRA employee benefits.

Q. I understand that arbitrators are often required to read and review lengthy materials in preparation for a hearing, or prior to rendering an award. Are arbitrators compensated for the time spent studying materials?

A. No, the honorarium applies only to hearings and does not cover “study time.”

Q. Will I be compensated for handling any discovery motions?

A. Yes, FINRA provides arbitrators an honorarium of \$200 to decide discovery-related motions on the papers. If more than one arbitrator considers a discovery-related motion, each arbitrator will receive \$200. The panel will allocate the cost of the honorarium to the parties in the arbitration award.

Q. Will I be compensated for deciding a contested motion requesting the issuance of a subpoena?

A. Yes, FINRA provides arbitrators an honorarium of \$250 for deciding a contested motion requesting the issuance of a subpoena without a hearing. The honorarium will be paid on a per case basis to each arbitrator who decides the contested motion. Parties will not be assessed more than \$750 in fees for deciding these motions in any arbitration proceeding. No honorarium will be paid for cases administered under the simplified arbitration rules.

Q. What if a case settles before the hearing, after I’ve read all the materials in preparation? Am I entitled to compensation for the time I’ve already spent?

A. We place great value on the time contributed by arbitrators serving on the FINRA Dispute Resolution roster. However, arbitrators are not currently compensated for their preparation time, regardless of whether a case proceeds to hearing or is settled.

Q. If the parties request an explained decision pursuant to Rule 12904, will the arbitrators be compensated for drafting the explained decision?

A. Yes, the chairperson who is responsible for writing an explained decision will receive an additional honorarium of \$400 pursuant to Rule 12904.

Q. What if a hearing is postponed? Are arbitrators compensated for the time they set aside for a hearing that is ultimately cancelled?

Yes, an arbitrator will receive \$100 if a hearing is postponed, adjourned or canceled within three business days before a scheduled hearing session. **[Please note:** If an arbitrator appears at a cancelled hearing because FINRA staff was unable to notify the arbitrator, the arbitrator will receive \$50 for his/her trouble.]

Q. The honorarium I’ve been receiving is less than \$300 per hearing session. Why is that?

A. FINRA’s rules were revised in 2014 to increase the arbitrators’ honorarium to \$300 per hearing session. If you are serving on a case that was filed prior to December 15, 2014, your honorarium will be at the lower rate that was in effect at the time the case was filed.

Q. Can I be reimbursed for expenses?

A. Arbitrators are reimbursed for reasonable local expenses. For further details, please refer to the “Guidelines for Arbitrator Reimbursement” on FINRA’s website.



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