

# Legislative Brief

## Lilly Ledbetter Fair Pay Act



President Obama signed the Lilly Ledbetter Fair Pay Act of 2009 (the "Act") on January 29, 2009, the first bill signed into law during his administration. The Act reinstates the U.S. Equal Employment Opportunity Commission's (the "EEOC's") longstanding position on the timeliness of filing pay discrimination charges, a position that had been overturned by the Supreme Court's decision in *Ledbetter v. Goodyear Tire & Rubber Co., Inc.*

The EEOC receives upward of 5,000 wage bias charge filings nationwide each year under all the statutes it enforces. The Act extends the time frame for employees to file pay discrimination cases based on the most recent allegedly discriminatory paycheck or other pay-related action, such as a decision setting a raise amount. The measure (S.181) was passed by the Senate on January 22 and approved by the House of Representatives on January 27.

The new law overturns the Supreme Court's May 2007 decision in *Ledbetter*, in which the Court held that the period for filing an EEOC charge of pay discrimination begins when the pay-setting decision is made and that charges under Title VII of the Civil Rights Act challenging discriminatory pay, therefore, ordinarily must be filed within 180 days of the allegedly discriminatory pay decision.

The Ledbetter Fair Pay Act states that the Supreme Court's 2007 decision is "contrary to the intent of Congress" because it "significantly impairs statutory protections against discrimination in compensation that Congress established and that have been bedrock principles of American law for decades." The Act states that with respect to pay discrimination, an unlawful employment practice occurs "each time wages, benefits, or other compensation is paid, resulting in whole or in part from [a pay] decision or other practice."

Critics argue that the effect of the Act will be to eliminate any predictable expiration of liability for employers, resulting in a flood of frivolous lawsuits against employers for decisions regarding compensation made many years ago.

The Act takes effect as if enacted on May 28, 2007, and applies to all claims of discrimination in compensation that are pending on or after that date.

The EEOC enforces federal laws prohibiting employment discrimination. Further information about the EEOC is available on its web site at [www.eeoc.gov](http://www.eeoc.gov).

Source: *The U.S. Equal Employment Opportunity Commission*

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