

# President Signs Lilly Ledbetter Fair Pay Act

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On Jan. 29, 2009, President Obama signed into law the Lilly Ledbetter Fair Pay Act which expands the time period in which employees can pursue discrimination claims related to employment compensation. The Ledbetter Act overturns the decision of the United States Supreme Court which found that Ms. Ledbetter's claim of pay discrimination based on gender discrimination under Title VII was untimely. The Court held that Lilly Ledbetter, a female employee who had worked for Goodyear Tire & Rubber for almost 20 years, did not have a valid discrimination claim because the discriminatory pay decisions she had suffered earlier in her career happened outside of the statutory period for filing a discrimination since time limits for filing a charge of discrimination began to run when an employer makes an allegedly discriminatory compensation decision. Ms. Ledbetter alleged that because several supervisors had given her poor evaluations her pay was not increased as much as it would have been throughout the course of her career had she been fairly evaluated. As such, she argued that at the time she retired she was compensated at a much lower rate than comparable male employees.

Consistent with her argument in the Supreme Court, the Ledbetter Act states that each subsequent paycheck gives present effect to the discriminatory evaluations and therefore also constitutes actionable discrimination. Under the Act, each individual paycheck, or other compensation alleged to be discriminatory, can be considered a distinct unlawful employment act which starts the limitations period anew. The Ledbetter Act expands the remedies



available to aggrieved parties by allowing employees to seek back pay for a period of two years predating their charges, as long as the past violations are similar or related to those that occurred during the charge period. This standard will likely be easy to satisfy in cases where employees have been compensated under the same allegedly discriminatory structure for a significant period of time. The Ledbetter Act amends Title VII, ADA, the Rehabilitation Act, the Age Discrimination in Employment Act and as such, will affect compensation claims based on age, race, disability, and other protected classes.

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