

The Lilly Ledbetter Fair Pay Act

On January 29, 2009, President Obama signed into law the Lilly Ledbetter Fair Pay Act (“Ledbetter Act”). This new law is critical to ensuring that both women and many other victims of pay discrimination can assert their rights to equal pay under federal anti-discrimination laws.

Background to the Ledbetter Act: *Ledbetter v. Goodyear*

The Ledbetter Act is a response to *Ledbetter v. Goodyear Tire & Rubber Co.*, a 2007 Supreme Court decision that severely restricted the statute of limitations for equal pay claims. Lilly Ledbetter, who had worked at Goodyear Tire for 19 years, learned just before retirement that she was paid much less than her male counterparts. In 1998, she filed a discrimination suit under Title VII of the Civil Rights Act of 1964. The Supreme Court held, however, that Ledbetter could assert her right to equal pay only within 180 days after the initial discriminatory pay decision was made. The ruling thus prohibited Ledbetter from seeking redress for discrimination that she had endured, but had been unaware of, for years.

The Ledbetter Act: Terms and Important Features

The Ledbetter Act overturns the Supreme Court’s decision in *Ledbetter v. Goodyear*. Under the terms of the Act, discrimination occurs:

- when a discriminatory compensation decision or other discriminatory practice affecting compensation is adopted;
- when an employee becomes subject to a discriminatory compensation decision or other discriminatory practice affecting compensation; or
- when an employee’s compensation is affected by the application of a discriminatory compensation decision or other discriminatory practice, including each time the employee receives compensation that is based in whole or in part on such compensation decision or other practice.

The Ledbetter Act has several important features. First, the Act creates a reasonable time limit for filing pay discrimination claims. It enables employees to seek redress within 180 days after a discriminatory paycheck is issued, not within 180 days after the pay discrimination decision is made. Second, the Act expands the range of protected employees by amending not only Title VII, but also the Americans with Disabilities Act of 1990, the Rehabilitation Act of 1973, and the Age Discrimination in Employment Act of 1967. Third, the Act prohibits “other practices” that affect compensation. These could include, for example, job evaluations or other personnel actions that result in pay discrimination. Fourth, the Act respects the current two year limit on back pay awards. Thus, employers will not be held liable for pay discrimination which may have occurred decades ago.

The Ledbetter Act provides employees, regardless of gender, race, age, color, disability, national origin, or religion, with a strong form of protection against pay discrimination. The Act itself acknowledges “the reality of wage discrimination” in the United States, and restores a “robust application of the civil rights laws” that Congress intended in previous civil rights legislation.