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LEDBETTER FAIR PAY ACT BECOMES LAW

The “Lily Ledbetter Fair Pay Act of 2009” has become the first bill signed into law under the new Obama administration. Signed earlier today, the Ledbetter Act overrules the Supreme Court’s decision in *Ledbetter v. Goodyear Tire and Rubber Company* (May 29, 2007), and effectively removes any statute of limitations for compensation discrimination claims under Title VII, the Age Discrimination in Employment Act, the Americans with Disabilities Act, and the Rehabilitation Act.

Under Title VII, an employee must file a charge of discrimination within 180 days (or 300 days depending on the state) of the alleged discriminatory act. In the *Ledbetter* case, the Supreme Court held that the decision to set the employee’s pay, and not the issuance of each subsequent paycheck, was the discrete discriminatory act that triggered the 180-day filing period. In contrast, today’s Ledbetter Act provides that a new act of discrimination occurs every time an employee receives a paycheck tainted by an earlier discriminatory decision, thus re-starting the 180-day clock every payroll period. The Ledbetter Act applies retroactively to May 28, 2007 (the day preceding the Supreme Court’s *Ledbetter* ruling).

In addition to the Ledbetter Act, the House of Representatives has passed the “Paycheck Fairness Act” (H.R. 12), which would amend the Equal Pay Act in ways that may increase the number of pay discrimination claims, and make them more difficult for employers to win. The Senate has not yet taken action on the Paycheck Fairness Act, but we will continue to monitor events in Washington and will advise you of further developments when warranted.



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