



# WomanView

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## Equal Pay for Equal Work Is Once Again the Law

The Lilly Ledbetter Fair Pay Act, which President Obama signed on January 29, restores workers' ability to challenge unequal pay. Under the law each time a victim of pay discrimination (whether based on gender, race, ethnicity, religion, or national origin) receives a paycheck, it is an act of discrimination and the victim has 180 days from the issuance of that paycheck to file a discrimination claim. The law reverses the U.S. Supreme Court's 2007 decision in *Ledbetter v. Goodyear Tire & Rubber Co.* dismissing Lilly Ledbetter's pay-discrimination claim because it was not filed before the statute of limitations had run out.

The Lilly Ledbetter Fair Pay Act was introduced after the Supreme Court held that, under the Civil Rights Act of 1964, workers had 180 days from the date of the original discriminatory paycheck to file a complaint. This decision effectively stripped victims of pay discrimination of any recourse because most workers do not know what their colleagues are being paid and are generally prohibited from discussing compensation at work. Thus many workers would be unaware that they were victims of discrimination until long after the 180-day period had lapsed. Opponents of the law argue that it will do nothing to increase pay and instead will flood the judicial system with discrimination claims by effectively eliminating the statute of limitations on discrimination claims.

Lilly Ledbetter was a supervisor at the Goodyear plant in Gadsden, Alabama, for nearly 20 years. As one of a few female supervisors at the plant, Ledbetter, who often faced sexual harassment, suspected that she was paid less than her male counterparts. Ledbetter discovered that her suspicions were correct only when she received an anonymous letter outlining the salaries of three male managers. She filed a complaint with the Equal Employment Opportunity Commission and after a trial was awarded \$3.3 million in compensatory and punitive damages. The Court of Appeals for the Eleventh Circuit reversed the jury's verdict and held that Ledbetter failed to file her case in the required amount of time. Under the Civil Rights Act of 1964 the victim has 180 days to file a complaint from the date of the discrimination. The Supreme Court upheld the Eleventh Circuit's decision holding that employees could not challenge ongoing pay discrimination because the 180-day clock started running at the time the pay decision was made. Thus, even though the discrimination toward Ledbetter occurred nearly 20 years ago and she had no actual knowledge of the discrimination against her, the opportunity to challenge the discrimination had long passed.

This was a departure from prior judicial decisions that had applied the "paycheck-accrual rule." The rule held that each new paycheck should be treated as a separate discriminatory act and, as such, started a new 180-day clock. The Supreme Court decision reversing the application of this rule effectively left victims of pay discrimination with no recourse unless they were able to challenge immediately the decision to discriminate. The Lilly Ledbetter Fair Pay Act restores the paycheck-accrual rule and codifies it in federal law.

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