



## The Lily Ledbetter Fair Pay Act: Changing the Dynamics of Wage Discrimination

On January 29, 2009, President Barack Obama signed the first bill of his tenure as Commander-in-Chief. The Lily Ledbetter Fair Pay Act (hereinafter referred to as “The Fair Pay Act”) is designed to expand the time limitations for employees filing a cause of action for wage discrimination. The Fair Pay Act is an amendment to the 1964 Civil Rights Act.

The Fair Pay Act effectively overrules the 2007 U.S. Supreme Court holding in Lilly Ledbetter v. Goodyear Tire and Rubber Co, 550 U.S. 618 (2007). In a 5-4 decision by the Supreme Court, the Court held Ledbetter’s wage discrimination suit was stale because she filed her cause of action after the 180 day window for wage discrimination suits had expired. After a nineteen year career at Goodyear, Ledbetter learned her salary was only approximately half that earned by her male counterparts with less experience. The Court never reached the question whether Goodyear was engaged in discriminatory practices because Ledbetter’s lawsuit was filed more than sixty days after the expiration of the previous limitations period.

The Fair Pay Act, while not affecting Mrs.

Ledbetter’s cause of action, expands the previous limitation period. Instead of employees having 180 days from the first alleged act of wage discrimination to file suit based on discrimination, employees will have 180 days from each act of discrimination to file suit. Now, every time an employee receives a new pay check, the limitations period will start over and the employee has an additional 180 days to file suit.

Although The Fair Pay act largely favors employees, it retained one important limitation from its predecessor that favors employers. Employee damage awards of back-pay are capped at a period of two years. This limitation on damages offers employers protection from outlandish jury awards aimed at punishing the employer rather than compensating the employee for her loss.

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