



## **The Lilly Ledbetter Fair Pay Act – Signed into Law January 30, 2009**

The law reverses the Supreme Court’s decision in *Ledbetter v. Goodyear Tire & Rubber Co.* 550 U.S. 618 (2007).

### **Why did the Supreme Court’s Decision Need to be Reversed?**

- In order to bring a legal claim against an employer for discrimination, a worker has to file a charge with the Equal Employment Opportunity Commission (EEOC) within a certain amount of time after the discriminatory act.
- In *Ledbetter*, the Court placed new limits on what can start the charge-filing clock. It held that an employee has 180 days only from the time a discriminatory pay decision *was made* to file a charge with the EEOC to challenge pay discrimination. The Court rejected the longstanding rule that allowed each discriminatory paycheck—issued to implement the discriminatory pay decision—to trigger the 180-day timeclock.
- The Supreme Court’s decision ignored the basic fact of the workplace—most workers do not know how much their colleagues earn—and created an incentive for employers to keep their pay decisions secret.

### **What the Law Does**

- The Lilly Ledbetter Fair Pay Act reinstates the rule in place prior to *Ledbetter*, frequently called the paycheck accrual rule, so that the 180-day time limit for filing a charge of discrimination with the EEOC begins to run anew after each discriminatory paycheck is received.
- The new Ledbetter law applies to *all* claims of pay discrimination—whether they are based on sex, race, color, religion, national origin, age or disability.

### **Background**

- Lilly Ledbetter worked for Goodyear for almost 20 years in a position held by very few other women. She discovered that she was being paid less than men with the same job, and had less seniority, after receiving an anonymous note with that information.
- She sued Goodyear for pay discrimination on the basis of sex under Title VII after learning that she was paid substantially less – 15 to 40 percent – than her male colleagues.

### **Impact on Women’s Wages and Closing the Wage Gap**

- Pay discrimination is responsible for a significant portion of the wage gap experienced by women and people of color. The Lilly Ledbetter Fair Pay Act restores the law and is one important step in giving workers a fighting chance to combat wage discrimination.