Legal Update Article

Timing Is Everything: SCOTUS Shuts Down Retiree's ADA Post-Employment Benefits Claim

By Katharine C. Weber, Luke P. Breslin, Patricia Anderson Pryor & Cecilie E. Read

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Meet the Authors

Katharine C. Weber
Principal
(513) 898-0050
katharine.weber@jacksonlewis.com

Luke P. Breslin
Principal
908-795-5200
Luke.Breslin@jacksonlewis.com

Patricia Anderson Pryor
Office Managing Principal

Takeaways

- SCOTUS ruled that retirees who do not hold or seek employment at the time of the alleged discrimination are not protected under Title I of the ADA.
- The decision does not necessarily preclude all claims from retirees or all claims about retirement benefits.
- An ADA plaintiff must plead and prove that at the time of the alleged discrimination, they held or desired a job and could perform its essential functions with or without reasonable accommodation.

Related links

- *Stanley v. City of Sanford* (opinion)
- U.S. Supreme Court Urged to Extend ADA Protections to Former Employees

Article

Do former employees have the right to sue their previous employer under Title I of the Americans with Disabilities Act (ADA) for discrimination in the administration of post-employment fringe benefits? Resolving a circuit split, the U.S. Supreme Court determined that Title I's protections do not extend to retirees who do not hold or seek employment at the time of the alleged discrimination. *Stanley v. City of Sanford*, No. 23-997 (June 20, 2025).

Background

Karyn Stanley, a former firefighter for the City of Sanford, Florida, was hired in 1999. At that time, the City provided health insurance until age 65 for retirees with 25 years of service and for those who retired earlier due to disability. In 2003, the City changed its benefits policy to provide health insurance subsidies either until the age of 65 for retirees with 25 years of service or for a limited period of 24 months for those retiring due to disability. Stanley was diagnosed with Parkinson's disease in 2016 and retired in 2018 due to her condition. Because of the 2003 change in the benefits policy, Stanley was entitled to receive health insurance subsidies for a period of 24 months following her retirement. By 2020, Stanley's subsidies ceased, prompting her to file a lawsuit alleging that the City had discriminated against disabled retirees in violation of the ADA.

The legal dispute revolved around whether the ADA protections extend to individuals no longer employed at the time the alleged discriminatory act (here, cessation of benefits) occurred. In particular, the Court addressed whether an individual who does not hold or seek employment at the time of the alleged discrimination was a "qualified individual" under Title I of the ADA.

513-322-5035
Patricia.Pryor@jacksonlewis.com

Cecilie E. Read
(She/Her)
KM Attorney
213-689-0404
Cecilie.Read@jacksonlewis.com

Related Services

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Stanley argued retirees should have the right to sue for discrimination regardless of employment status, implying a broader definition of "qualified individual" under the ADA. The City argued that Congress did not intend for the ADA to cover post-employment discrimination claims.

Court's Decision

The Supreme Court affirmed the lower courts' dismissal of the retiree's ADA claim. Title I of the ADA prohibits discrimination against "qualified individuals" on the basis of disability. The Court clarified that the ADA does not extend protections to retirees who neither hold nor seek employment at the time of the alleged discrimination.

The Court relied heavily on the textual interpretation of the ADA, focusing on the statutory definitions. Unlike Title VII of the Civil Rights Act, which protects "employees," and the retaliation provision of the ADA, which protects "individuals," this particular provision of the ADA protects "qualified individuals." The statute defines "qualified individual" as someone "who, with or without reasonable accommodation, can perform the essential functions of the employment position that [she] holds or desires." The use of present-tense verbs to determine the scope of protection, including "*discriminate* against," *"can perform,"* and *"holds or desires,"* according to the Court, "signal that §12112(a) protects individuals who, with or without reasonable accommodation, are able to do the job they hold or seek *at the time they suffer discrimination"* (emphasis added) but does "not reach retirees who neither hold nor desire a job at the time of an alleged act of discrimination." The Court suggested that if Congress wants to include retirees it could amend the ADA.

The Court noted in a plurality portion of the opinion that the plaintiff in the case might not be without any remedy but, based on how the complaint was pled, dismissal was appropriate.

Implications for Employers

Although this case is unlikely to have much impact on what employers do, it will quickly become well-cited in litigation. *Stanley* was decided on a motion to dismiss. While courts sometimes struggle with how much a plaintiff must plead in discrimination cases, the Supreme Court stated, "to prevail under §12112(a), a plaintiff must plead and prove that she held or desired a job, and could perform its essential functions with or without reasonable accommodation, at the time of an employer's alleged act of disability-based discrimination." We anticipate that this decision may provide employers with additional support to challenge poorly drafted complaints.

In addition, the Supreme Court's focus on the plaintiff's present ability to perform the essential functions of the job, with or without reasonable accommodation, will provide employers with additional arguments to challenge ADA claims, even beyond those made by individuals who were not holding or desiring a job at the time. Justice Neil Gorsuch, who wrote for the Court in *Stanley,* also authored the opinion in *Hwang v. Kansas State University,* 753 F.3d 1159 (10th Cir. 2014), in which a leave of absence of more than six months was held an unreasonable accommodation. The then-Judge Gorsuch stated: "It perhaps goes without saying that an employee who isn't capable of working for so long isn't an employee capable of performing a job's essential functions." Whether the *Stanley* decision will influence how federal courts view lengthy leaves of absence remains to be seen.

Stanley may also be helpful to employers who are defending claims brought by civil rights testers who apply for positions for the sole purpose of testing ADA Title I compliance. In that scenario, an employer may be able argue that the testers do not truly seek or desire the jobs for which they apply.

If you have questions regarding *Stanley*, how it applies to your employment practices or any other federal, state, or local leave or accommodation issue, please reach out to the Jackson Lewis attorney with whom you regularly work.