Supreme Court Narrows Retired Employees' Protections Under Americans With Disabilities Act

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Stanley v. City of Sanford, Florida, 145 S. Ct. 2058 (June 20, 2025)

In *Stanley v. City of Sanford, Florida*, the U.S. Supreme Court held that a retired employee who does not hold or seek a job is not a "qualified individual" entitled to protections under Title I of the Americans with Disabilities Act (ADA).

The petitioner in *Stanley* began working as a firefighter for the City of Sanford, Florida, in 1999. She became a firefighter, in part, because the city offered health insurance until age 65 for two categories of retirees: those who retired with 25 years of service and those who retired earlier because of disability. In 2003, the City of Sanford changed its policy, limiting health insurance for those who retired early due to disability to just 24 months. Following the revision, the petitioner began suffering from a disability and, as a result, was forced to retire earlier than expected. Under the city's revised policy, the petitioner was entitled to, at most, 24 months of health-insurance coverage.

The petitioner brought an employment discrimination suit against the City of Sanford, presenting, among other things, a claim for disability discrimination under the ADA. The city moved to dismiss her claims, which the trial court granted in part. The trial court determined that the petitioner was not a qualified individual under Title I of the ADA because the alleged discrimination did not take place until after she retired. The Eleventh Circuit affirmed, as did the Supreme Court.

Justice Gorsuch, writing for the majority, relied on the plain text of the statute to reach the court's holding. Under Title I of the ADA, employers are barred from "discriminat[ing] against a qualified individual on the basis of disability in regard to . . . compensation" and other matters. 42 U.S.C. § 12112(a). A "qualified individual" is

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defined as "an individual who, with or without reasonable accommodation, can perform the essential functions of the employment position that such individual holds or desires." *Id.* at § 12111(8).

The Supreme Court examined the use of present-tense words in the statute, including the words "holds" and "desires." The use of present-tense language suggested to the majority that an active relationship with the employee's employment in relation to the allegedly discriminatory act is required under the statute. "Conversely, those verbs tend to suggest that the statute does not reach retirees who neither hold nor desire a job at the time of an alleged act of discrimination." The majority accordingly determined that Title I of the ADA applies exclusively to current or prospective employees, thereby excluding retirees in most cases.

To demonstrate the ways Title I of the ADA may still provide relief for retirees, the majority addressed an additional question raised by the petitioner for the first time on appeal: whether her original complaint satisfied the ADA's general protections for those who hold or seek a job when a challenged act of discrimination occurs.

In considering this question, the majority acknowledged that the petitioner must plead and prove that she held or sought a job when the alleged discrimination occurred. The Supreme Court further took "as given" that unlawful discrimination can take place at any one of three points in time: (1) when an employer "adopt[s]" a "discriminatory . . . practice," (2) when an employee "is affected by application of a discriminatory . . . practice," or (3) when an employee "becomes subject to" such a practice.

The majority held that, since the petitioner failed to allege all three, she thus had not alleged an instance of discrimination under the ADA. First, she was not disabled at the time of the policy change. Second, the petitioner had already been retired for two years before her subsidized health insurance had expired. Third, she included no allegations about the timing or nature of her diagnosis, or whether she actively worked for the city while disabled after the policy was adopted.

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Based on these facts, the majority concluded by stressing that "nothing we say today prevents future plaintiffs—or perhaps even [the petitioner] herself in a future proceeding—from pursuing a theory along the lines" discussed above. Instead, the Supreme Court simply held that, to pursue a claim under the ADA, 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."

Justice Jackson, joined in part by Justice Sotomayor, dissented, disagreeing with the court's pure textualist approach to the ADA's interpretation. She admonished the majority's interpretation of a "qualified individual" as a "temporal limit" "of Title I's protections." This, in her view, rendered the ADA's protections "meaningless" when these individuals need them most.

Key Takeaways

- Title I of the ADA requires plaintiffs to have or desire a job for which they can perform the essential functions with or without reasonable accommodation at the time of an employer's allegedly discriminatory actions.
- Though retired employees' protections under Title I of the ADA have been narrowed, they have not completely vanished. As explained by the Supreme Court, there are plenty of scenarios under which a disabled retiree may still be able to successfully present ADA claims. For example, a retiree who was disabled at the time of his employment could be subject to a discriminatory policy that would result in reduced retirement benefits. The court also noted that other laws may provide disabled retirees protection from discrimination, including state laws, the Rehabilitation Act, and equal protection claims.
- *Stanley*'s emphasis on employees' present ability to perform the essential functions of their position may lend favor to employers who challenge ADA claims based on extended leaves of absence.

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