

**PUTNEY, TWOMBLY, HALL & HIRSON LLP**

ESTABLISHED 1866

**COUNSELORS AT LAW**

521 FIFTH AVENUE

NEW YORK, NEW YORK 10175

(212) 682-0020

TELEFAX: (212) 682-9380

PUTNEYLAW.COM

DANIEL F. MURPHY, JR.  
MICHAEL T. McGRATH  
THOMAS A. MARTIN  
WILLIAM M. POLLAK  
JAMES E. McGRATH, III  
CHRISTOPHER M. HOULIHAN  
THOMAS M. LAMBERTI  
STEPHEN J. MACRI  
HARVEY I. SCHNEIDER  
MARY ELLEN DONNELLY  
JOSEPH B. CARTAFALSA  
GEOFFREY H. WARD  
ANDREA HYDE  
E. PARKER NEAVE  
MARK A. HERNANDEZ  
JAMES M. STRAUSS  
PHILIP H. KALBAN  
SEAN H. CLOSE  
LANSING R. PALMER  
JEROME P. COLEMAN

120 WOOD AVENUE SOUTH  
SUITE 600  
ISELIN, NEW JERSEY 08830  
(732) 632-2505  
TELEFAX: (732) 632-2506

1205 FRANKLIN AVENUE  
GARDEN CITY, NY 11530  
(516) 746-0070  
TELEFAX: (516) 746-0599

2500 NORTH MILITARY TRAIL  
SUITE 200  
BOCA RATON, FLORIDA 33431  
(800) 935-8480  
TELEFAX: (561) 393-9707

COUNSEL  
CHARLES J. GROPE  
ALEXANDER NEAVE  
DUSTAN T. SMITH  
SPECIAL COUNSEL  
JUDITH M. BANDLER

**JANUARY 30, 2009**

**CLIENT ALERT**

**PRESIDENT OBAMA SIGNS FAIR PAY LEGISLATION**

President Obama signed the Lilly Ledbetter Fair Pay Act, which overturned a decision from the United States Supreme Court that had restricted the ability of employees to sue over alleged unequal pay on the basis of gender. In 2007, the Supreme Court held in Ledbetter v. Goodyear Tire & Rubber that the statute of limitations to sue an employer for discrimination ran from the time that the employer first adopted the discriminatory pay system, regardless of whether the employee experienced the effects of the alleged discriminatory practice in each paycheck issued thereafter. Ledbetter had sued Goodyear claiming that the pay system adopted by her employer almost 20 years earlier had been discriminatory against women.

The new law clarifies that the time to sue commences each time an employee receives a paycheck that allegedly reflects a discriminatory pay practice. Although Ms. Ledbetter's case only alleged gender discrimination, the law applies to all forms of discrimination protected by Title VII, the Age Discrimination in Employment Act, the Americans with Disabilities Act and the Rehabilitation Act. The Ledbetter Act also expands the scope of alleged discriminatory actions beyond pay practices to all "compensation-implicated personnel actions," as well as "other practices" that affect compensation. As such, the Act impacts any and all compensation decisions including wages, benefits and employee classifications and promotions that may impact compensation.

The Act is retroactive to May 28, 2007, the day before the Supreme Court issued its decision. Although an employee may sue over the effects of an alleged

discriminatory decision made years earlier, he/she may only recover damages for the two-year period preceding the filing of his/her EEOC charge.

We remain available to review your Company's pay practices for compliance with the new law and to answer questions regarding the Ledbetter Act.

**PUTNEY, TWOMBLY, HALL & HIRSON LLP**