

Does the Americans with Disabilities Act Protect Retired Employees?

Recent U.S. Supreme Court Ruling Offers New Guidance for Employers

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On June 20, 2025, the U.S. Supreme Court decided *Stanley v. City of Sanford*, an 8-1 ruling that significantly limits the reach of the Americans with Disabilities Act (“ADA”) once an employee has retired.

Writing for the majority, Justice Gorsuch concluded that Title I of the ADA does not protect former employees who neither hold nor seek a job at the time the alleged discrimination occurs. Because retirees are no longer “qualified individuals” under the statute, they may not sue under Title I for allegedly discriminatory decisions that affect them only after they leave the workforce.

Background

The plaintiff, a firefighter for the City of Sanford (“the City”), Florida, retired early due to disability. While she was still working, the City amended its health insurance plan so that only employees with 25 years of service would retain coverage until age 65; employees who retired earlier because of disability would receive only 24 months of coverage.

After retiring, the plaintiff discovered she qualified for only two years of benefits and sued, alleging disability discrimination under the ADA. Both the district court and the U.S. Court of Appeals for the Eleventh Circuit dismissed her claim, reasoning that she was no longer a “qualified individual” once she left her job and retired. The U.S. Supreme Court affirmed, siding with the Sixth, Seventh, Ninth, and Eleventh Circuits and rejecting the broader approach adopted by the Second and Third Circuits.

Why This Decision Matters to Employment Professionals

1. Timing now controls ADA exposure for retiree claims.

- The ruling draws a bright line: Title I applies only when the allegedly discriminatory act takes place while the individual is still an employee or an applicant. A benefits decision that affects a person only after retirement—no matter how inequitable—will not, standing alone, create ADA liability.

2. Retirees can still challenge decisions made during employment.

- If a benefit policy or practice was adopted or applied while the individual was on the payroll or actively seeking work, the ADA remains available. The decisive question is when the discriminatory act occurred, not when the employee felt its effects.

3. Other statutes may still apply.

- Although Title I no longer covers pure post-employment discrimination, retirees may pursue theories under other laws, such as the Age Discrimination in Employment Act, the Equal Pay Act, or state law disability protections.

Action Items for Human Resources Professionals

In light of the U.S. Supreme Court's decision, human resources (HR) professionals should take the following concrete steps to reduce risk and ensure compliance:

1. First, review any pending or recent employment actions.

- Review any recent employment actions, such as benefit changes, policy updates, or terminations, to confirm that any decisions affecting employees with disabilities were made and communicated while the individual was still employed or seeking employment.
- If you have recently implemented changes to retiree benefits or other post-employment programs, document the timing and ensure that affected employees were notified while still active, if possible.

2. Audit your organization's current policies and procedures.

- Specifically, employers should focus on auditing those that impact employees nearing retirement or on disability leave. For example, review how your organization handles the transition from employee to retiree status, and ensure that any changes to terms, benefits, or accommodations are finalized before the employee's last day.
- Update checklists and workflows for offboarding to include a review of ADA compliance and documentation of the timing of all relevant actions.

3. Enhance your recordkeeping practices.

- Streamline your recordkeeping practices by creating a system to track the exact dates of employment status changes, communications about benefits or accommodations, and the implementation of any employment-related decisions.
- This will help you quickly demonstrate compliance if a claim arises and clarify whether the ADA applies.

4. Proactively communicate with employees who are approaching retirement or on disability leave.

- Contact employees about any upcoming changes to their benefits, status, or accommodations before they take retirement or disability leave to ensure they understand when and how these changes will take effect. Provide written confirmation of all communications.
- If you are currently handling a claim or complaint from a retiree, review the facts to determine whether the alleged discriminatory act occurred during employment or after retirement. Work with legal counsel to assess the organization's exposure and develop a response strategy based on the new legal standard.

By taking these specific steps—reviewing the timing of employment actions, auditing policies, improving documentation, training staff, and communicating clearly—HR professionals can better protect their organizations and support employees through transitions in light of the U.S. Supreme Court's new guidance.

[Review a copy of the SCOTUS decision in *Stanley v. City of Sanford*.](#)

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