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SCOTUS: ADA Doesn't Extend to Retired Employees



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The United States Supreme Court has determined that the Americans with Disabilities Act ("ADA") does not extend to discrimination claims from retired employees. In an 8–1 decision issued on June 20, 2025, the Court held that to prevail under a Title I ADA claim, "... 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."

This decision arises from a legal dispute between Karyn Stanely and the City of Sanford, Florida. Stanely, a retired firefighter diagnosed with Parkinson's disease, sued the city after her retiree health benefits were altered, alleging discrimination under the ADA, the Rehabilitation Act and the Florida Civil Rights Act.

When Stanely began employment in 1999, the city offered health insurance coverage until age 65 for retirees with 25 years of service or for those who retired early due to disability. In 2003, the city amended its policy to limit coverage until age 65 *only* for retirees with 25 years of service. Individuals who retired early due to disability would now receive only 24 months of coverage. Stanley was diagnosed in 2016, retired early in 2018 and by 2020 her health insurance subsidies had ceased. This prompted Stanley to file suit, alleging that the city violated the ADA by providing unequal health insurance benefits.

The central issue in this case was whether the ADA's protections under Title I (which governs employment and is codified at 42 U.S.C. §12112(a)) extend to individuals who are no longer employed at the time the alleged discriminatory act occurs. Specifically, the Court had to determine whether a retiree was a "qualified individual" entitled to such protections under the ADA.

What Did the Court Decide?

In finding that the ADA does not extend protections to retirees who neither hold nor seek a job at the time the alleged discrimination occurs, the Court relied heavily on textual analysis of the statute's "qualified individuals" terminology. The ADA prohibits disability discrimination in employment against a "qualified individual," 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."

Writing for the majority, Justice Gorsuch highlighted Congress's use of present-tense verbs ("holds", "desires", "can perform"), concluding this language signals the ADA protects only those who are capable of performing the job they hold or seek at the time of the alleged discrimination. Accordingly, this protection does not extend to retirees, who neither hold a position nor intend to return to the workforce. Of note, the Court invited Congress to amend the ADA if it wants to extend the ADA's protections to retirees.

What Does this Mean for Employers?

Although Title I of the ADA only covers qualified individuals with a disability who experience discrimination while holding or seeking a job, other legal avenues may be available for certain employees. In fact, in the Court's plurality opinion—which only received four

votes such that it is not binding—it highlighted several other methods of possible recourse for individuals in a similar situation, including showing they were a qualified individual with a disability at the time the discriminatory retirement benefit policy was adopted.

Similarly, the opinion was limited to claims under Title I of the ADA. Federal employees and those working for government contractors may consider filing such claims under the Rehabilitation Act or the Constitution's Equal Protection Clause. Private-sector employees may consider bringing claims under the Employee Retirement Income Security Act ("ERISA") for promised retirement, health and disability benefits. Similar claims may also be cognizable under state disability discrimination laws. Therefore, employers are best served to consult counsel when considering making changes to retiree benefits.

Please do not hesitate to contact any of the attorney's in Gould & Ratner's [Human Resources and Employment Law Practice](#) to discuss the Supreme Court's decision and its effect on your business.