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SCOTUS RULES AGAINST RETIRED FIREFIGHTER IN DISABILITY DISCRIMINATION CASE – BUT SAYS SOME POST-EMPLOYMENT ADA CLAIMS CAN PREVAIL

Insights
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The US Supreme Court just significantly restricted who can succeed on post-employment disability discrimination claims under the Americans with Disabilities Act (ADA) and when they may do so – but made it clear that employers *can* be held liable for such reason under certain circumstances, even if the plaintiff is retired at the time they file suit. Here's everything you need to know about SCOTUS's June 20 decision in *Stanley v. City of Sanford, Florida*.

Quick Background

Here's what happened before the case reached the Supreme Court.

- **How it started.** Karyn Stanley served as a firefighter for the City of Sanford, Florida, for nearly 20 years before she took disability retirement in 2018 at the age of 47, two years after she was diagnosed with Parkinson's disease. After she retired, she learned that the retiree health insurance policy the city offered at the time she was hired – which provided free coverage until age 65 for employees who retired because of a qualifying disability – had been changed in 2003 to provide disability retirees only 24 months of free health insurance.
- **The ADA claim.** Stanley sued the city in 2020, claiming the reduction in benefits violated the ADA because it discriminated against her as a retiree with a disability.
- **Lower court rulings.** A Florida district court, as well as the 11th Circuit appeals court, dismissed the case and held

Related People



Lisa A. McGlynn

Partner

813.769.7518



Robin Repass

Partner

202.978.3084

that Stanley could not state a plausible disability discrimination claim because the alleged discriminatory act – the health insurance subsidy ending 24 months after taking disability retirement rather than continuing to age 65 – occurred while she was no longer employed by the City.

- **Issue before SCOTUS.** Stanley asked the Supreme Court to resolve a circuit split concerning whether an individual who “no longer holds or seeks to hold” a job may sue under the Title I of the ADA “for discrimination that harms her post-employment.” The issue was not *whether* the ADA prohibits disability discrimination in retirement benefits – the parties agreed that it does – but *who* may invoke those protections and *when* they may do so.

For further background on the case, check out the [SCOTUS predictions](#) we made in March.

SCOTUS Rejects Retiree’s ADA Claim, Sides With Employer – This Time

The Supreme Court [ruled](#) on June 20 that winning an ADA discrimination claim requires a plaintiff to plead and prove that they held or desired a job, and could perform its essential functions with or without reasonable accommodations, **at the time of an employer’s alleged act of disability-based discrimination.**

Justice Gorsuch delivered the opinion of the Court, and the majority (which had Justices in agreement on some parts of the opinion but splintered over others) held that the **ADA does not prohibit disability-based discrimination “in the abstract”** and rejected Stanley’s theories that unlawful discrimination occurred:

- in 2003 when the city reduced the disability retiree health benefit, **because Stanley was not disabled at that time;**
- in 2020, when her subsidized health insurance ran out, **because she was not a “qualified individual” under the ADA at that point** as “she had been retired for two years, could not satisfy the requirements of her job, and was not seeking employment” at that time; or
- during 2016–2018, when Stanley remained employed post-diagnosis and was both an individual with a disability and a qualified individual who could still perform the essential

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functions of her job – but the Court did not fully consider this theory **due to a number of technical hurdles**, such as Stanley’s failure to include certain details in her original complaint, and legal rules about raising new arguments too late.

In a dissenting opinion, Justice Jackson called the Court’s holding a “stingy outcome” with “anomalous results,” and said that it “renders meaningless Title I’s protections for disabled workers’ retirement benefits just when those protections matter most.”

How’d We Do With Our Predictions? Our FP attorneys [Lisa M](#) and [Robin Repass](#) correctly **predicted in March** that the SCOT majority would rule, in a divided decision, in favor of the employer that retirees who are no longer holding or seeking the job are not qualified individuals under the ADA.

Key Employer Takeaway: Retirees Can Still Sue Under the ADA – And Prevail

The Supreme Court’s *Stanley* decision was a win for the employer defending that specific case. And it was a win for all employers as it limits the ADA’s employment discrimination protections to only those who hold or a desire a job. But the Court made clear that its ruling does *not* mean that retirees can never prevail on an ADA claim.

- **Rather, SCOTUS said, ADA plaintiffs can prevail, even if they happen to be retired at the time they sue**, so long as they “can plead and prove they were both disabled and ‘qualified’ when their employer adopted a discriminatory retirement-benefits policy” (or even when they were *affected* by a policy change).
- The Court also said that pleading that unlawful disability discrimination occurred once the individual became subject to a discriminatory compensation decision or other practice would be an **“especially promising” path for a retiree to prevail on an ADA claim**. This theory could potentially allow a retiree to win in an ADA lawsuit even if they were not disabled at the time of the employer’s allegedly discriminatory act, nor a qualified individual at the time they were harmed by such act. (As mentioned above, SCOTUS did not fully consider this theory in Stanley’s case due to technical hurdles).

Employers nationwide should therefore continue taking caution when reducing or eliminating retirement or other post-employment benefits to ensure that the change does not disparately impact former employees with disabilities.

Conclusion

We will continue to monitor developments from SCOTUS, so make sure you subscribe to [Fisher Phillips' Insight System](#) to get the most up-to-date information. If you have questions, contact your Fisher Phillips attorney or the authors of this Insight.