

# LEGAL UPDATE



## U.S. Supreme Court Declines to Extend ADA Protections to Retirees

On **June 20, 2025**, the U.S. Supreme Court issued a [decision](#) in *Stanley v. City of Sanford, Florida*, holding that a former employee does not have the right to sue their former employer under the Americans with Disabilities Act's (ADA) antidiscrimination provisions with respect to post-employment benefits.

### Background

Title I of the ADA bars employers with 15 or more employees from discriminating against a qualified individual on the basis of disability in regard to compensation and other matters. The ADA defines a “qualified individual” as an individual who, with or without reasonable accommodation, can perform the essential functions of the job that the individual holds or desires.

The circuit courts historically disagreed as to whether a former employee who does not hold or desire a job at the time of alleged discrimination is a “qualified individual” who may sue under the ADA’s discrimination provisions.

### HIGHLIGHTS

- On **June 20, 2025**, the Supreme Court held that former employees may not sue for alleged disability discrimination that occurred post-retirement.
- The Supreme Court reasoned that former employees are not “qualified individuals” under the ADA because they do not hold or seek a job.
- The decision resolves a circuit court split and establishes that retirees are not subject to the same ADA protections as employees.

### Lower Court Ruling

In *Stanley*, a former city firefighter took disability retirement benefits. Under the health plan in effect when the plaintiff was hired, employees retiring for qualified disability reasons received free health insurance until age 65. However, the city revised its disability retirement health insurance while the plaintiff was employed to limit such insurance coverage to two years post-retirement. After retiring, the plaintiff sued their former employer, claiming the reduction in the health insurance subsidy was discriminatory against them as a disabled retiree.

The 11th Circuit held in favor of the defendant, reasoning that the ADA only prohibits discrimination against “qualified individuals” who must hold or desire the job at the time of the alleged discrimination.

### Supreme Court Ruling

The Supreme Court affirmed the 11th Circuit’s ruling, thereby resolving the circuit court split. In its decision, the Supreme Court concluded that a plaintiff must plead and prove that they held or desired a job and could perform its essential functions, with or without reasonable accommodation, at the time of the employer’s alleged act of disability-based discrimination to be a qualified individual protected under the ADA’s antidiscrimination provisions.

### Employer Takeaways

The ruling in *Stanley* resolves a circuit court split and limits the scope of actionable claims under the ADA by restricting the ability of a former employee to sue their former employers. However, even if the holding limits an employer’s potential liability for ADA discrimination claims, they may still be subject to other legal requirements under the terms of any underlying employee benefit plans. Therefore, employers should continue to adhere to the terms of such plans and applicable laws with respect to employees and retirees.