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LABOR AND EMPLOYMENT NOTES
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UNITED STATES SUPREME COURT MAKES NEW RULE

The United States Supreme Court recently held that the statute of limitations for claims brought under 42 U.S.C. § 1981 is four years. Jones v. R. R. Donnelley & Sons Co., decided May 3, 2004, makes a big change for litigants in race discrimination cases. It changes the prescriptive period for section 1981 claims in Louisiana from one year to four years.

Section 1981 provides one legal basis for a race discrimination claim. Employment discrimination claims based on race are typically brought under 42 U.S.C. § 1981 as well as under Title VII of the Civil Rights Act of 1964 and state employment discrimination statutes. Until now, the prescriptive periods for all of these causes of action were similar. Claims brought under Title VII must first be brought by a charge before the Equal Employment Opportunity Commission or the state human rights commission within 300 days of when the alleged discrimination occurred, and Title VII lawsuits must be filed within ninety days after receipt of a right to sue letter from the administrative agency. The prescriptive period for claims under Louisiana employment discrimination statutes is one year. That one-year period may be suspended during the pendency of an administrative charge, but the suspension is limited to six months. With the Supreme Court's holding in the Jones case, the section 1981 prescriptive period is now much longer than the prescriptive period for either Title VII or state employment discrimination claims.

Race discrimination claims may now be brought up to four years after the alleged discrimination occurred. The new rule does not, however, affect the prescriptive periods for other types of discrimination, such as sex, age, religion, national origin, and disability. The prescriptive periods for claims of other types of discrimination remain unchanged.

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PROPOSED EEOC RULE ON RETIREE HEALTH BENEFITS MOVES FORWARD

A proposed rule that would specifically authorize employer-sponsored health care benefits to coordinate plan benefits with Medicare and comparable state-sponsored health benefits without violating the Age Discrimination in Employment Act, as amended, moved one step closer to becoming final when the EEOC voted to approve the rule in April, 2004. See, April 23, 2004 Message to America's Retiree's, www.eeoc.gov.abouteeoc/meetings/4-22-04/retirees.html.

The proposed rule is an effort to reverse the effects of a prior EEOC policy and a 2000 federal appellate court ruling, both of which had made retiree health plans more onerous under the ADEA than employers and labor unions had anticipated. The 2000 court ruling and a subsequent EEOC policy required that employer-sponsored health plans abide by the equivalent benefit or value rules of the ADEA, effectively negating the Medicare coordination provisions of employer retiree health benefit plans. The new rule, once promulgated in the Federal Register as a final rule, will specifically allow the alteration, reduction, or elimination of health benefits when the participant is "eligible" for health benefits under Medicare or a comparable state plan, whether or not the participant actually enrolls in the Medicare or state plan. Additional information about the proposed rule is available at the EEOC's website, www.eeoc.gov.

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