

## Supreme Court rules that employers may give additional benefits to older workers

The U.S. Supreme Court recently ruled that the Age Discrimination in Employment Act (ADEA), which protects workers age 40 and older, permits employers to favor older workers over younger workers. The court said that the ADEA was concerned with protecting relatively older workers from discrimination that favors the relatively young.

### The Case

In 1997, General Dynamics Land Systems, Inc. announced a change to its collective bargaining agreement with the United Auto Workers. Under the new agreement, General Dynamics would eliminate health benefits for future retirees except for those employees who were already age 50 or older.

Dennis Cline, who was 48 years old, worked at a General Dynamics tank-manufacturing plant in Lima, Ohio for 28 years. Cline, and approximately 200 other General Dynamics workers in their 40s, filed a complaint with the Equal Employment Opportunity Commission (EEOC). Cline and the others claimed that the new agreement to eliminate retiree health benefits violated the ADEA because it illegally discriminated against them because of their age.

The EEOC agreed and requested that General Dynamics and the union settle informally with Cline. When they failed to settle, Cline sued General Dynamics in district court in Ohio. The district court called the claim “reverse age discrimination” and said that no court had ever granted relief under the ADEA.

It dismissed the case, stating that the ADEA “does not protect...the younger *against* the older.”

Cline appealed the case to the Sixth Circuit Court of Appeals. The appeals court reversed the lower court’s decision stating that the ADEA prohibits discrimination against an individual because of that individual’s age. The court said that if Congress had meant to limit its coverage under the ADEA to protect only the older worker against the younger, it would have said so.

General Dynamics then appealed the case to the U.S. Supreme Court. In a 6-3 decision, the Supreme Court reversed the appeals court’s decision. Delivering the majority opinion, Justice David Souter wrote, “[T]he ADEA was concerned to protect a relatively old worker from discrimination that works to the advantage of the relatively young.”

Souter continued, “We see the text, structure, purpose, and history of the ADEA, along with its relationship to other federal statutes, as showing that the statute does not mean to stop an employer from favoring an older employee over a younger one.”

For more information, please contact CTSI at 303.861.0507.