Employers Cannot Shorten Limitations Period for Title VII Claims, Sixth Circuit Rules

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The statute of limitations of Title VII of the Civil Rights Act of 1964 cannot be contractually shortened for litigation, the Sixth Circuit held on September 25, 2019 as a matter of first impression in *Logan v. MGM Grand Detroit Casino*, __ Fed. 3d __ (6th Cir. 2019).

In *Logan*, as part of her job application, plaintiff agreed that she only had a six-month limitation period to bring any lawsuit against the employer. After resigning from her employment, plaintiff waited more than six months before she filed an EEOC charge alleging sex discrimination and retaliation. Plaintiff was issued a right-to-sue letter, and subsequently brought suit in federal court. The employer moved to dismiss the case, arguing that plaintiff's claims were time-barred because she failed to bring them within the shortened limitation periods contractually agreed to in her job application. The district court agreed with the employer and dismissed plaintiff's claims.

On appeal, the Sixth Circuit disagreed, holding that a contractual agreement altering the Title VII limitation period is not enforceable. In so holding, the court took into account two considerations: (1) "the detailed enforcement scheme of Title VII" and (2) "the national implications of congressional anti-discrimination policy."

First, the court recognized that the enforcement scheme of Title VII is distinguishable from those of other federal statutes. Instead of just providing damage remedies to the wronged employees, Title VII favors the employer's cooperation and voluntary compliance as a means to eradicate workplace discrimination. As such, Congress set forth a pre-suit process that gives the EEOC the opportunity to investigate the employees' charge, to mediate between the employee and her employer, and to promote the employer's voluntary compliance of Title VII before a suit can be brought in court. Moreover, Title VII is different from other federal statutes because it is "self-contained; that is, the applicable limitation period resides within Title VII itself." Thus, the limitation period to sue under Title VII is a substantive, rather than a procedural, rule that can be contractually waived.

Second, allowing the parties to alter the limitation period of Title VII, according to the Sixth Circuit, would frustrate the implementation of the national policies underlying Title VII as well as disrupt its elaborate and integrated enforcement procedures. If the Title VII limitation period can be cut short using state-law contract principles, plaintiffs in different states would have different rights in the enforcement of wholly federal claims in federal court.

What does this mean for employers? It is clear after *Logan* that an employer cannot require employees to agree to shorten the limitations period for Title VII claims. Employers should review their applications, handbooks, and other policies to determine whether they include limitations periods shorter than 180 days (or 300 days in deferral jurisdiction like Michigan), as such policies will no longer be enforceable for claims of discrimination, harassment or retaliation brought under Title VII.

As always, please contact the authors or your Miller Canfield attorney if you have any questions.