Supreme Court Throws Out FMLA Regulation

March 29, 2002

On March 19, 2002, the United States Supreme Court threw out a Department of Labor regulation that allowed employees up to 12 additional weeks of FMLA leave if an employer neglected to designate leave taken as counting against an employee's 12 weeks of FMLA leave.

In the case – Ragsdale v Wolverine World Wide, Inc. – Ragsdale, a factory worker, was diagnosed with Hodgkin's disease. Wolverine, her employer, granted her 30 weeks of unpaid sick leave pursuant to its policies, but failed to inform her that it would count 12 of the 30 weeks of such leave against her FMLA leave entitlement for that 12-month period. Wolverine denied Ragsdale more than 30 weeks of leave and terminated her employment when she was unable to return to work following the leave.

Ragsdale sued Wolverine, claiming a right to 12 additional weeks of leave because Wolverine failed to specifically inform her that it was counting a portion of the initial 30 weeks against her FMLA entitlement. Ragsdale's lawsuit was based on a single sentence in a DOL regulation that provided that "[i]f an employee takes paid or unpaid leave and the employer does not designate the leave as FMLA leave, the leave taken does not count against an employee's FMLA entitlement." The federal district court that heard her case, as well as a federal court of appeals, rejected Ragsdale's claim. Both courts found that the DOL regulation at issue went beyond what the FMLA statute called for – no more than 12 weeks of protected leave in any 12-month period.

The U.S. Supreme Court carefully reviewed the statutory framework of the FMLA and, in a 5-4 decision, concluded that the DOL regulation at issue went beyond the bounds of the FMLA in allowing employees more leave than the FMLA required. It therefore ruled that the regulation was invalid.

WHAT DOES THIS MEAN FOR EMPLOYERS AND THEIR POLICIES?

Practically speaking, the Ragsdale ruling simply confirms that employers are not required to provide more than 12 weeks of FMLA leave to employees in whatever 12-month tracking period is followed – even if the employer neglects to inform an employee that a leave is being counted against his or her FMLA entitlement. This will come as a relief to most employers.

That said, Miller Canfield does not believe this decision justifies any change in policy. It is still a good and recommended practice for the employer to designate leave as FMLA leave when appropriate and inform the employee of that fact in writing as soon as a reasoned decision can be made on the issue. This is good practice from an employee relations standpoint and provides the best defense to any FMLA claim that an employee's right to take leave under the FMLA was restrained or interfered with in any way.

If you have any questions about the Ragsdale decision or your company's FMLA policies, please contact Megan Norris in Detroit at (313) 496-7594, email: norris@millercanfield.com. This message is for general information only and should not be used as a basis for specific action without obtaining further legal advice.

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