

The U.S. Equal Employment Opportunity Commission

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STILLWATER SCHOOL DISTRICT TO PAY \$1.12 MILLION FOR AGE BIAS AGAINST CLASS OF RETIRED EMPLOYEES

Latest EEOC Settlement on Issue of Discriminatory Early-Retirement Plans

MINNEAPOLIS – Independent School District No. 834 of Stillwater, Minnesota (Stillwater School District), will pay more than \$1 million to former school district employees under a consent judgment resolving an age bias lawsuit brought by the U.S. Equal Employment Opportunity Commission (EEOC), the federal agency announced today.

EEOC has brought a total of 12 age discrimination lawsuits against Minnesota school districts because of their discriminatory early retirement plans. All of the lawsuits have now settled for total monetary relief of over \$2.6 million for more than 200 retired teachers and other employees. In the case against the Stillwater School District, the EEOC filed suit on December 15, 2005, (EEOC v. Independent School District No. 834 of Stillwater, Minnesota, Civil No. 05-2908) on behalf of a class of more than 50 former school district employees whose early retirement incentive payments were reduced because of their age. EEOC charged that the Stillwater School District reduced the amount of the early retirement incentive payment for each year as the employee grew older. The EEOC contended that the Stillwater School District violated the Age Discrimination in Employment Act by paying the retiring employees less as they aged.

"Even though courts have recognized that such plans violate the laws against age discrimination, some school districts around the country continue to pay younger teachers more than older teachers when they elect early retirement," said EEOC Chicago District Director John Rowe. "We hope that school districts pay attention to the EEOC's efforts to eradicate this practice in Minnesota and take steps to reform their policies now."

The five-year consent judgment, entered August 18, 2006, by U.S. District Judge Richard H. Kyle of the District of Minnesota in St. Paul, provides \$1,120,430 in monetary relief for 57 former employees and enjoins the Stillwater School District from implementing or administering a retirement incentive plan that reduces the benefits based upon the age of the retiree. It further requires that the Stillwater School District report all revisions to its early retirement incentive plans to the EEOC and to post a notice regarding the settlement.

John Hendrickson, the EEOC's Chicago regional attorney, said, "There are lawful ways to encourage employees to elect early retirement. Then there are unlawful ways, such as those plans that punish employees for growing older. As long as employers don't recognize the difference, the EEOC will be watching."

Laurie Vasichек, the EEOC trial attorney heading up the government litigation effort, added, "The teachers and school employees were punished because they wanted to keep working. It made no sense. We appreciate that the Stillwater School District looked at its practices and resolved this suit promptly."

The EEOC is responsible for enforcing the nation's laws prohibiting discrimination in employment based on race, color, sex (including sexual harassment and pregnancy), religion, national origin, age, disability, and retaliation. Further information about the Commission is available on its web site at www.eeoc.gov.

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