



Press Release

For immediate release: 08/17/2007

Contact:

Noreen Farrell, Equal Rights Advocates, www.equalrights.org
415-621-0672 (ext. 398)
510-701-8243

Major Victory for Women Who Worked at AT&T An estimated 15,000 affected by lawsuit challenging pregnancy discrimination

(San Francisco, CA, August 17, 2007) Today the Ninth Circuit Court of Appeals ruled in favor of female employees of AT&T challenging the telephone giant's use of a discriminatory policy to calculate employee pension and retirement benefits. AT&T refused to credit time taken off by plaintiffs and other women for pregnancy-related disability leaves, although it did credit other types of disability leave when calculating retirement benefits. The En Banc Panel affirmed the District Court's ruling on summary judgment that AT&T's service credit policy of excluding time spent on pregnancy leave violated the Pregnancy Discrimination Act of 1978 (PDA) which amended Title VII, the law that prohibits employment discrimination.

The decision impacts a potential class of an estimated 15,000 former and current female employees nationwide who were denied service credit for pregnancy leaves in the calculation of their retirement and pension benefits.

"This is a very important victory for working women who are still fighting for equality in the workplace," said Equal Rights Advocates Attorney Noreen Farrell. "Women who take leaves because of pregnancy disability should be treated the same as other employees who take other types of disability leaves. This decision has a significant impact on important retirement and pension benefits for women nationwide." The plaintiffs are represented by Equal Rights Advocates, The Law Offices of Judith E. Kurtz, the Communications Workers of America, AFL-CIO, and the firms of Erickson, Beasley, Hewitt & Wilson, and Weinberg, Roger & Rosenfeld.

Each of the individual plaintiffs experienced losses as a result of AT&T's actions. Plaintiff Noreen Hulteen began working for an AT&T subsidiary company in 1965. In 1968, her employer forced her to take personal leave for her pregnancy and disabilities that occurred while she was on leave. Due to this policy, Hulteen was denied eight months of service credit toward her pension and related benefits. Since retiring in 1994, Hulteen's pension checks have been reduced by the amount of the lost leave time due to her pregnancy. Likewise, plaintiffs Eleanora Collet, Betty Snyder and Linda Porter were each denied service credit for pregnancy-related disability leaves taken prior to 1979, which has decreased their pension benefits.

Sixteen years ago, in a virtually identical case brought by Equal Rights Advocates and its co-counsel on behalf of women workers, the Ninth Circuit Court of Appeals held that Pacific Bell – a former AT&T subsidiary company – had violated Title VII and ERISA by using similar pension calculation policies to deny early retirement offers to female employees who had taken pregnancy leaves before April 1979. See *Pallas v. Pacific Bell*, 940 F.2d 1324 (9th Cir. 1991), cert. denied, 502 U.S. 1050 (1992). *Pallas* was resolved in 1998 with a settlement of more than \$25 million that included pension adjustments for thousands of women affected by the policies.

Despite the Ninth Circuit ruling in *Pallas*, AT&T has continued to exclude pregnancy-related disability leave taken prior to April 1979 in calculating pension benefits for its female employees. The Ninth Circuit rejected AT&T's argument that the *Pallas* decision was no longer good law. As affirmed by the Ninth Circuit today: "Our conclusion in *Pallas* that calculation of service credit excluding time spent on pregnancy leave violates Title VII was, and is, correct."

To read the full opinion of the En Banc Panel of the Ninth Circuit on *Hulteen v. AT&T Corporation* issued on August 17, 2007, visit: <http://www.ca9.uscourts.gov/ca9/newopinions.nsf>.

###