

***The Compliance News Hour***

***Live Updates in Federal, State & Local Law***

*This is a fictional scenario that is entirely imagined and intended only to provide a context for discussions of current legal issues and potential workplace interactions. Any resemblance to actual persons, names, events or circumstances is entirely coincidental and not intentional. In addition, the information and related discussion is not intended as legal advice, and is for general informational and educational purposes only. While we hope it is informative, it also does not fully address the complexity of the issues or steps employers must take under applicable laws—which are also subject to change, even frequently, with or without prior notice. You should not act upon any information provided without seeking professional legal counsel tailored to your specific situation. For legal advice on these or related issues, please consult qualified legal counsel directly.*

***Federal Update***



# ***Reshaping the Rules of the Game***

LIVE ●

**Trump and Nebraska reshape federal authority**

**Perez reshapes procedure for class actions**

# ***Breaking: Supreme Court Pulls Plug on Nationwide Injunctions***

LIVE ●

## ***Trump v. CASA*** **U.S. Supreme Court 2025**

- Immigrant rights groups challenged Executive Order 14160, which limited birthright citizenship
- District courts issued nationwide injunctions
- Supreme Court vacated the injunctions, holding that universal injunctions exceed courts' equitable authority--relief should extend only to what is necessary to protect the plaintiffs
- **Future executive order challenges may result in patchwork enforcement**
- **Employers operating in multiple states should track region-specific outcomes to maintain compliance**

# ***News Flash: Contractor Wage Rule Struck Down***

LIVE ●

## ***Nebraska v. Su*** **9th Circuit 2024**

- States challenged Biden-era Executive Order 14026, which set a \$15/hour minimum wage for federal contractors, arguing the President lacked authority and violated APA
- District court denied injunction, but Ninth Circuit reversed: no statutory authority to set wages and DOL failed to consider alternatives
- Subsequently, EO 14026 was rescinded, lowering the minimum wage back to Obama-era \$13.30
- Contractor wage rules and scope of presidential authority remain unsettled
- **Employers should anticipate executive orders affecting wage laws and build flexibility into contracts**

# ***Developing Story: Employers Can Rely on Assumptions to Stay in Federal Court***

LIVE ●

***Perez v. Rose Hills Co.***  
**9th Circuit 2025**

- Former employee filed class action in California state court alleging wage and hour violations
- Employer removed under Class Action Fairness Act, estimating damages based on assumed frequency to satisfy threshold amount
- District court remanded, Ninth Circuit reversed: defendants may rely on reasonable, plausible assumptions to estimate the amount in controversy under CAFA
- **Employers have flexibility to meet the jurisdictional requirement at the removal stage, although, they should maintain accurate records to defend assumptions at latter stages**



# ***Supreme Court Expands Religious Exemptions***

LIVE ●

## ***Catholic Charities v. Wisconsin*** **U.S. Supreme Court 2025**

- Catholic Charities sought an exemption from unemployment tax, available for nonprofits “operated primarily for religious purposes.” Wisconsin denied, reasoning the organization served all faiths and employed non-Catholics.
- Supreme Court reversed—denominational preference failed strict scrutiny.
- Tax exempt status of religious group includes charitable arm of the Catholic Church
- Charity may serve all people, not just members of the Catholic Church
- **Trend of expansive view of religious protections under First Amendment**



# ***Ministerial Exception Shields Employment Decisions***

LIVE ●

## ***McMahon v. World Vision Inc.*** **9th Circuit 2025**

- World Vision withdrew job offer as customer service representative from applicant who revealed (after accepting position) that she was in a same sex marriage.
- Ministerial exception permits religious entities to assert an affirmative defense to employment claims brought by employees who are found to perform key religious functions.
- Customer service position was found to perform vital religious duties at the core of World Vision's mission to bear witness to Jesus Christ through acts of service.

# *Focus on Individual Employees' Claims*

LIVE ●

## Spotlight:

- Sexual orientation discrimination: *Ames v. Ohio Dept. of Youth Services*
- Free speech protections: *Jensen v. Brown*
- Race, sex, and national origin discrimination and retaliation: *Lui v. DeJoy*

# ***Title VII Applies Equally to Majority Claimants***

LIVE ●

## ***Ames v. Ohio*** **U.S. Supreme Court 2025**

- Marlean Ames, a heterosexual woman, was denied promotion; position went to a lesbian woman, and shortly after, Ames was demoted and replaced by a gay man
- She alleged “reverse discrimination” under Title VII
- Sixth Circuit required majority-group plaintiffs to meet a heightened “background circumstances” burden to prove discrimination
- Supreme Court unanimously rejected: Title VII applies symmetrically
- **Aligns with Ninth Circuit precedent. Employers should ensure DEI efforts are implemented with careful documentation and based on legitimate, job-related criteria to avoid claims of preferential treatment.**



# ***Administrators Not Immune to Suit from Employee Exercising Free Speech***

LIVE ●

***Jensen v. Brown***  
**9<sup>th</sup> Circuit 2025**

- Community College instructor sharing opinion about curriculum changes was speaking on a matter of “public concern” under *Pickering*.
- Speech related to scholarship and teaching fell outside instructor’s official duties under *Garcetti*.
- Community College administrators not entitled to qualified immunity because their conduct violated a clearly established right.
- Administrators not entitled to sovereign immunity because expungement of personnel records was prospective relief.
- **Public employers must carefully assess discipline tied to employee speech on academic or public issues.**

# ***Ninth Circuit Revives USPS Bias Claim***

LIVE ●

## ***Lui v. DeJoy*** **9<sup>th</sup> Circuit 2025**

- USPS demoted longtime Asian-American employee Dawn Lui, replacing her with a less experienced white male
- District Court dismissed disparate treatment claim because Lui failed to show similarly situated individual
- Ninth Circuit reversed: plaintiffs need only show circumstances giving rise to an inference of discrimination when replaced by individual outside of class
- USPS investigation found inadequate and biased, negating nondiscriminatory reason for adverse action
- **Investigations must be thorough and rely on impartial evidence**
- **Employers should document nondiscriminatory reasons for employment decisions**

# ***Update: ADA Stops at Retirement***

LIVE ●

## ***Stanley v. City of Sanford, Florida*** **U.S. Supreme Court 2025**

- Retired employee could not bring an ADA claim against city
- Court relies on “qualified individual” as a timing mechanism for an employee’s claim
- **Title I of ADA protects only “qualified individuals,” i.e., *current* employees or applicants who can perform the essential functions of the job with or without a reasonable accommodation**
- **Other federal and state laws, including the Employee Retirement Income Security Act (ERISA), though, still govern benefit changes and may fill the gap for employees**



# *Reported By*

LIVE ●



**Melissa Lehane Rawlinson**  
**Miller Nash LLP**  
Melissa.Rawlinson@MillerNash.com



**Abigail Yeo**  
**Miller Nash LLP**  
Abigail.Yeo@MillerNash.com