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# The Gavel

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## Diverse Viewpoints in the Law

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## Title VII of the Civil Rights Act of 1964

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Title VII of the Civil Rights Act of 1964 addresses a variety of discriminatory conduct and protects individuals against employment discrimination on the basis of sex, race, color, national origin, and religion. However, Title VII only applies to private sector employers with 15 or more employees and public sector employers at the federal, state, and local level. The statute prohibits employment decisions based on stereotypes and assumptions

about abilities, traits, or the performance of individuals on the basis of their protected status.

Since the passing of Title VII, there has been a great deal of debate among the circuits regarding the statute's application to employers with part-time employees. The focus of these debates centers on how to count part-time employees for the purpose of determining whether an employer is subject to Title VII. More recently, in Walters v. Metropolitan Educational Enterprises, Inc., the U.S. Supreme Court adopted the "payroll" method of counting employees to determine whether an employer satisfies Title VII's jurisdictional limit of 15 employees. In doing so, the Supreme Court settled the controversy at the Circuit level by endorsing the EEOC's recommended method of counting employees. The issue faced by the Supreme Court was whether Metropolitan Educational Enterprises, Inc. was subject to Title VII's statutory definition of Section 701(b). Title VII's definition of an employer includes the requirement that the entity have "15 or more employees for each working day in each of 20 or more calendar weeks in the current or preceding calendar year." The Court's interpretation of the statute would establish the method used to calculate the number of employees working on "each working day" of the week.

The payroll method, now adopted by the Supreme Court, counts all employees who are on the payroll for each day of a given week regardless of whether they were actually present at work each day. In its ruling, the Court determined that the alternative method commonly referred to as the "compensation method" "would turn the coverage determination into an incredibly complex and expensive factual inquiry" and would require the parties to spend 10 months poring over records to determine an employee's coverage under Title VII. Walters v. Metro. Educ. Enterprises, Inc., 519 U.S. 202, 210 (1997). The decision has created clearer guidance for employers and employees who are potentially subject to Title VII.

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