REGULATORY UPDATE

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HR | REGULATORY COMPLIANCE

US Supreme Court Rules on Mandatory Job Transfer

Title VII After Muldrow – Employment Decisions Deserve a Closer Look

EFFECTIVE DATE	WHO IT APPLIES TO	WHAT CHANGED
April 17, 2024	Employers covered by Title VII - generally private employers with 15+ team members, plus covered public employers	A discriminatory action can violate Title VII when it causes some harm to a term or condition of employment; the harm need not be significant or material

WHAT CHANGED

On April 17, 2024, the U.S. Supreme Court issued a unanimous decision in Muldrow v. City of St. Louis. The Court held that an employee challenging a transfer under Title VII must show some harm with respect to an identifiable term or condition of employment, but that harm does not have to be significant, material, serious, or meet another heightened threshold.

The decision rejected a higher bar used by several federal courts. A change in pay or title is not required. Changes to responsibilities, schedule, workplace privileges, or other terms and conditions of employment may be enough when the action was taken because of a protected characteristic.

WHAT IT MEANS FOR YOUR BUSINESS

Employers should not assume that a lateral transfer or other employment decision is low risk simply because compensation and job title remain the same. Leadership should consider the full effect of the decision on the team member and be prepared to explain the legitimate, nondiscriminatory reason for the action.

KEY POINT	Do not evaluate a transfer or reassignment only by asking whether pay or title changed. Consider how the decision affects actual responsibilities, schedule, privileges, opportunities, and other working conditions.

Protect Team Members. Control Risk. Control the Cost of Risk.

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WHAT TO CONSIDER

- Are transfers, reassignments, schedule changes, duty changes, and similar decisions based on clear, job-related business reasons?

WHAT THE COURT DECIDED

Muldrow involved a St. Louis police sergeant who was transferred from a specialized intelligence assignment to a uniformed district position. Her rank and pay remained the same, but her responsibilities, schedule, and certain workplace privileges changed. The Supreme Court concluded that Title VII does not require an employee to show a materially significant disadvantage before a discrimination claim may proceed.

- A discriminatory transfer may be actionable when it causes some harm to a term or condition of employment.
- The harm does not have to involve lower pay, loss of rank, or reduced benefits.
- Changes to responsibilities, schedule, perks, work location, or other employment conditions may matter.
- The employee still must connect the challenged action to discrimination based on a protected characteristic.

A DIFFERENT STANDARD FOR RETALIATION

The Supreme Court specifically distinguished Title VII discrimination claims from retaliation claims. The "materially adverse" standard developed for retaliation remains a separate test because it asks whether an action might discourage a reasonable worker from reporting or supporting a discrimination complaint. Muldrow addressed Title VII's anti-discrimination provision and rejected importing that heightened retaliation standard into discrimination claims.

DOCUMENT THE BUSINESS REASON

Before making a transfer, reassignment, schedule change, duty change, or similar decision, leadership should identify the business reason, confirm that comparable situations are handled consistently, consider the practical effect on the team member, and document the basis for the decision. Documentation is most useful when it reflects the decision-making process at the time - not after a concern is raised.

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LEADERSHIP NOTE	Muldrow did not make every workplace decision actionable. A Title VII discrimination claim still requires some harm to a term or condition of employment and a showing that the employer acted because of a protected characteristic.

WHY THIS EXTENDS BEYOND TRANSFERS

The EEOC's current historical summary of Muldrow emphasizes that the Court rejected heightened labels such as "significant," "material," or "serious" harm for Title VII discrimination claims involving terms or conditions of employment. Although Muldrow itself involved a transfer, its reasoning reinforces the need to evaluate employment decisions by their real effect rather than focusing only on pay or title.

IMPORTANT DATES

April 17, 2024	The Supreme Court decided Muldrow v. City of St. Louis and rejected a significant-harm requirement for Title VII transfer discrimination claims.
ONGOING	Employers should review transfers, reassignments, schedule changes, and similar employment decisions under the Muldrow standard and current Title VII guidance.

NEXT STEPS

- Review transfer, reassignment, scheduling, promotion, work-assignment, and job-duty practices for unnecessary or inconsistent decision criteria.
- Train supervisors and leadership to recognize that changes in duties, schedules, privileges, and other working conditions may carry discrimination risk even when compensation stays the same.
- Use clear, job-related criteria and document the legitimate business reason for employment decisions when they are made.
- Coordinate HR review when a decision affects a protected-class team member differently from similarly situated team members.

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THE HOLT GROUP PERSPECTIVE

Muldrow reinforces a practical leadership principle: employment decisions should be understandable, consistent, and connected to a legitimate business reason. The strongest approach is to make necessary decisions thoughtfully - with clear expectations, consistent criteria, good communication, and documentation that shows how and why the decision was made.

SOURCES

- Supreme Court of the United States, Muldrow v. City of St. Louis, 601 U.S. 346 (2024).
- U.S. Equal Employment Opportunity Commission (EEOC), "EEOC History: 2020-2024" - Muldrow summary.
- U.S. Equal Employment Opportunity Commission, Title VII of the Civil Rights Act of 1964; "Coverage of Business/Private Employers."

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