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Supreme Court Clarifies Standard For Assessing Whether A Religious Accommodation Would Result In An "Undue Hardship"

Client Alert | June 29, 2023

Decided June 29, 2023 ***Groff v. DeJoy*****, No. 22-174 Today, the Supreme Court clarified the standard employers must satisfy to show that granting a religious accommodation would create an "undue hardship" on the employer's business. The Court unanimously held that an employer must show "substantial increased costs in relation to the conduct of its particular business" to justify the denial of a religious accommodation under Title VII. Background:** Title VII of the Civil Rights Act of 1964 prohibits employers from discriminating on the basis of "religion" unless the employer can demonstrate that it cannot reasonably accommodate a current or prospective employee's religious observance or practice "without undue hardship on the conduct of the employer's business." 42 U.S.C. § 2000e(j). Relying on *Trans World Airlines, Inc. v. Hardison*, 432 U.S. 63 (1977), many lower courts interpreted "undue hardship" to mean any accommodation for which the employer must bear more than a "*de minimis* cost."

Gerald Groff brought a Title VII claim against his employer, the U.S. Postal Service, after the Postal Service disciplined him for refusing to work on Sunday, when he observed the sabbath. The Postal Service contended that accommodating Groff's religious observance disrupted workflow and created impositions on his coworkers, to the detriment of workplace morale. The district court granted summary judgment to the USPS, and the Third Circuit affirmed, concluding that accommodating Groff would impose more than *de minimis* costs on the Postal Service.

Issue: Whether Title VII's "undue hardship" standard for assessing religious accommodations is satisfied by demonstrating only that the employer would incur costs that are "more than *de minimis*." **Court's Holding:** No. To show that granting a religious accommodation would create an "undue hardship," an employer must show that the burden of granting an accommodation would result in substantial increased costs in relation to the conduct of its particular business.

> *"[A]n employer must show that the burden of granting an accommodation would result in substantial increased costs in relation to the conduct of its particular business."*

Justice Alito, writing for the Court

What It Means:

- The Court emphasized that context matters in assessing whether a religious accommodation imposes an "undue hardship" on employers. Courts must "apply the test in a manner that takes into account all relevant factors in the case at hand,

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including the particular accommodations at issue and their practical impact in light of the nature, size and operating cost of an employer."

- One additional issue in the case was whether the effect an accommodation had on the plaintiff's coworkers could amount to an "undue hardship." The Court clarified that "coworker impacts" would satisfy that standard only if they affect the conduct of the employer's business.
- The Court advised that its opinion likely would not require the EEOC to revisit much of its guidance on what qualifies as an undue hardship. For example, the EEOC would need to make few, "if any," changes to its guidance explaining that "no undue hardship is imposed by temporary costs, voluntary shift swapping, occasional shift swapping, or administrative costs."

The Court's opinion is available here.

Gibson Dunn's lawyers are available to assist in addressing any questions you may have regarding developments at the Supreme Court. Please feel free to contact the following practice leaders:

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