

# LEGAL UPDATE



## HIGHLIGHTS

- On April 23, 2025, Trump issued an EO to roll back disparate impact liability under federal antidiscrimination laws.
- Federal agencies are ordered to deprioritize enforcement of regulations imposing disparate impact liability.
- The U.S. attorney general is ordered to repeal existing Title VII guidance regarding disparate impact liability.
- The EO orders the reassessment of pending discrimination investigations and existing judgments based on disparate impact liability.

## Trump Executive Order Aims to Repeal Disparate Impact Liability

On April 23, 2025, President Donald Trump issued an [executive order](#) (EO) that aims to repeal disparate impact liability under Title VII of the Civil Rights Act (Title VII) and other federal antidiscrimination laws and ultimately reduce the potential discrimination claims employees may bring under federal law.

### Background

Federal discrimination claims generally require a showing of either **disparate treatment** or **disparate impact** on the basis of an individual's protected class (e.g., race, color, religion, sex or national origin). Disparate treatment generally occurs when an employer treats individuals less favorably than other similarly situated employees because of their protected class. Disparate impact generally occurs when an employment policy has an adverse effect on members of a protected class, regardless of whether there was a discriminatory motive.

### Overview of Trump EO

Trump's EO aims to remove disparate impact liability so that employers may not be held liable for facially neutral practices that have a disparate impact on members of a protected class. To that end, the EO orders:

- Federal agencies, such as the Equal Employment Opportunity Commission (EEOC), to **deprioritize enforcement of statutes and regulations** that impose disparate impact liability;
- The U.S. attorney general to **repeal or amend Title VII regulations** that contemplate disparate impact liability and, within 30 days of the EO, report existing regulations, guidance, laws, and decisions that impose disparate impact liability and propose remedial measures;
- The U.S. attorney general and the chair of the EEOC, within 45 days of the EO, to **assess pending investigations**, civil suits or positions in ongoing matters that rely on disparate impact theory; and
- Federal agencies, within 90 days of the EO, to **evaluate existing consent judgments and injunctions** that rely on disparate impact liability and take appropriate action.

The EO also orders the attorney general and the chair of the EEOC to jointly issue guidance on appropriate methods to promote equal access to employment regardless of whether an applicant has a college education.

### Employer Takeaways

The EO reflects the Trump administration's goal to revise the existing legal framework under federal discrimination laws. While the EO does not have an immediate impact on existing employment laws, employers should continue to monitor for updated guidance from the EEOC and other federal agencies in the near future.