



# COMPLIANCE OVERVIEW

## Navigating Post-FMLA Terminations



The federal Family and Medical Leave Act (FMLA) provides eligible employees up to 12 workweeks of unpaid, job-protected leave a year for certain family and medical reasons, including being unable to work due to the employee's serious health condition. When an employee's FMLA leave entitlement expires, the employee may be unable to return to work because of the continuation of their serious health condition.

An employer should proceed cautiously before terminating an employee who cannot return to work when their FMLA leave expires. The employer should consider whether it has additional legal obligations, such as accommodation requirements under the federal Americans with Disabilities Act (ADA). In addition, other laws, such as the federal Pregnant Workers Fairness Act (PWFA) and state and local laws, may apply. Employers should also consider the impact their decisions may have on employee morale.

This Compliance Overview highlights considerations when terminating employees after FMLA leave.

### Introduction

When employees take FMLA leave for their own serious health conditions, they may be unable to return to work at the end of the leave due to the continuation of the serious health condition, which may also qualify as a disability under the ADA. While employers may understand their leave obligations under the FMLA, employers may not realize that they may have continuing legal obligations after the FMLA ends, such as the potential responsibility to accommodate an employee's disability. Failure to accommodate may lead to legal action, such as charges of disability discrimination or lawsuits filed against the employer. Disability discrimination comprises many of the charges received by the EEOC.

*Of the 88,531 charges of discrimination received by the EEOC in fiscal year 2024, 33,668 were based on disability discrimination, representing 38% of the total charges received. Also, the 110 employment discrimination lawsuits filed by the EEOC in fiscal year 2024 included 48 cases under the ADA. Many ADA suits challenged discriminatory application of employer qualification standards or other inflexible policies, such as those requiring employees to work with no medical restrictions without consideration of possible accommodations, or those assessing points for absences related to an employee's disability.*

While this Compliance Overview highlights considerations when terminating employees after FMLA leave, nothing in this overview is intended as legal advice. Terminating an employee when a medical condition is involved is extremely risky and may lead to claims of discrimination or retaliation. Terminations should be considered on a case-by-case basis after careful review of all relevant facts. An employer's actions may vary depending on the specific facts of the situation; there is no "one-size-fits-all" solution. Given the risks involved, employers are strongly advised to consult with local counsel for specific legal advice before terminating an employee when a medical condition is involved.

### FMLA

Among other entities, the FMLA applies to private-sector employers with 50 or more employees for at least 20 workweeks in the current or preceding calendar year. In order to be eligible to take leave under the FMLA, an employee generally must:

- Work for a covered employer;
- Have worked 1,250 hours during the 12 months prior to the start of leave;
- Work at a location where the employer has 50 or more employees within 75 miles; and

- Have worked for the employer for 12 months.

A covered employer must grant an eligible employee up to a total of 12 workweeks of unpaid, job-protected leave in a 12-month period to (among other things) take medical leave when the employee is unable to work because of a serious health condition. The most common serious health conditions that qualify for FMLA leave are:

- Conditions requiring an overnight stay in a hospital or other medical care facility;
- Conditions that incapacitate an employee or their family member (for example, unable to work or attend school) for more than three consecutive days and have ongoing medical treatment (either multiple appointments with a health care provider, or a single appointment and follow-up care such as prescription medication);
- Chronic conditions that cause occasional periods when an employee or their family member is incapacitated and requires treatment by a health care provider at least twice a year; and
- Pregnancy, including prenatal medical appointments, incapacity due to morning sickness and medically required bed rest.

Employees are generally entitled to return to their same or an equivalent job at the end of their FMLA leave. An employee is entitled to such reinstatement even if they have been replaced or their position has been restructured to accommodate their absence.

Under the FMLA, an employer is prohibited from interfering with, restraining or denying the exercise of, or the attempt to exercise, any FMLA right. An employer is also prohibited from discriminating or retaliating against an employee or prospective employee for having exercised or attempted to exercise any FMLA right. If an employer fails to reinstate an employee at the end of FMLA leave, the employer may face liability under the law. That said, if an employee is unable to perform an essential function of the position because of a physical or mental condition, the employee has no right to restoration to another position under the FMLA. However, the ADA may govern the employer's obligations.

## ADA: BACKGROUND

The ADA forbids discrimination based on disability and applies to, among other entities, private-sector employers with 15 or more employees. The law requires employers to provide reasonable accommodation to qualified individuals with disabilities who are employees or applicants, unless to do so would cause undue hardship. While a serious health condition under the FMLA can qualify as a disability under the ADA, an ADA disability and an FMLA serious health condition are different concepts and must be analyzed separately.

### DEFINITION OF DISABILITY

The ADA directs that the definition of "disability" is construed broadly, in favor of extensive coverage, to the maximum extent permitted by the law. Under the law, a person has a disability if they:

- Have a physical or mental condition that substantially limits a major life activity (such as walking, talking, seeing, hearing or learning, or operation of a major bodily function, such as brain, musculoskeletal, respiratory, circulatory or endocrine function);
- Have a history of a disability; or
- Are subject to an adverse employment action because of a physical or mental impairment the individual actually has or is perceived to have, except if it is transitory (lasting or expected to last six months or less) and minor.

A medical condition does not need to be long-term, permanent or severe to be substantially limiting. Also, if symptoms come and go, what matters is how limiting the symptoms are when they are active.

**Examples:** EEOC regulations identify examples of impairments that should easily be concluded to be disabilities, including deafness, blindness, intellectual disability, partially or completely missing limbs, mobility impairments requiring use of a wheelchair, autism, cancer, cerebral palsy, diabetes, epilepsy, HIV infection, multiple sclerosis, major depressive disorder, bipolar disorder, post-traumatic stress disorder, obsessive-compulsive disorder and schizophrenia.

### QUALIFIED INDIVIDUALS

A qualified individual with a disability is a person who meets legitimate skill, experience, education or other requirements of an employment position that they hold or seek, and who can perform the essential functions of the position with or without reasonable accommodation. Requiring the ability to perform essential functions assures that an individual will not be considered unqualified simply because of the inability to perform marginal or incidental job functions. If the individual is qualified to perform essential job functions except for limitations caused by a disability, the employer must consider whether the individual could perform these functions with a reasonable accommodation.

### REASONABLE ACCOMMODATION

An accommodation is any change in the work environment or in the way things are customarily done that enables an individual with a disability to enjoy equal employment opportunities. Accommodations include, among other things, modifications or adjustments to the work environment, or to the manner or circumstances under which the position held or desired is customarily performed, that enable a qualified individual with a disability to perform the essential functions of that position. Accommodations can include, among other things, job restructuring, modified or part-time schedules, leave and reassignment.

**Key Points:** *While an individual with a disability may request a change due to a medical condition, this request does not necessarily mean that the employer is required to provide the change. A request for reasonable accommodation is the first step in an informal, interactive process between the individual and the employer to clarify what the individual needs and identify the appropriate reasonable accommodation. The employer may choose among reasonable accommodations, as long as the chosen accommodation is effective. Thus, as part of the interactive process, the employer may offer alternative suggestions for reasonable accommodations and discuss their effectiveness in removing the workplace barrier that is impeding the individual with a disability.*

## UNDUE HARDSHIP

An employer does not have to provide a reasonable accommodation that would cause an undue hardship to the employer. Generalized conclusions will not suffice to support a claim of undue hardship. Instead, undue hardship must be based on an individualized assessment of current circumstances that shows that a specific reasonable accommodation would cause significant difficulty or expense. A determination of undue hardship should be based on several factors, including:

- The nature and cost of the accommodation needed;
- The overall financial resources of the facility making the reasonable accommodation, the number of persons employed at this facility, and the effect on expenses and resources of the facility;
- The overall financial resources, size, number of employees and type and location of facilities of the employer (if the facility involved in the reasonable accommodation is part of a larger entity);
- The type of operation of the employer, including the structure and functions of the workforce, the geographic separateness and the administrative or fiscal relationship of the facility involved in making the accommodation to the employer; and
- The impact of the accommodation on the operation of the facility.

## ADA: DISCUSSION OF SPECIFIC ACCOMMODATIONS

An employee returning from or extending a leave of absence under the FMLA may request a number of accommodations, including, for example, job restructuring, modified or part-time schedules, leave and reassignment.

**Compliance Tip:** An employer never has to reallocate essential functions as a reasonable accommodation but can do so if it wishes.

## JOB RESTRUCTURING

Job restructuring includes modifications such as:

- Reallocating or redistributing marginal job functions that an employee is unable to perform because of a disability; and
- Altering when and/or how a function, essential or marginal, is performed.

A disabled employee returning from a leave of absence under the FMLA may request job restructuring as an accommodation. While an employer is not required to reallocate essential functions, the employer may need to consider reallocating marginal job functions. For example, if, as a reasonable accommodation, an employer restructures an employee's job to eliminate some marginal functions, the employer may require the employee to take on other marginal functions that they can perform. An employer may switch the marginal functions of two (or more) employees in order to restructure a job as a reasonable accommodation.

## MODIFIED OR PART-TIME SCHEDULES

An employer must allow an employee with a disability to work a modified or part-time schedule as a reasonable accommodation, absent undue hardship. A modified schedule may involve adjusting arrival or departure times, providing periodic breaks, altering when certain functions are performed, allowing an employee to use accrued paid leave or providing additional unpaid leave. An employer must provide a modified or part-time schedule when required as a reasonable accommodation, absent undue hardship, even if it does not provide such schedules for other employees.

For certain positions, the time during which an essential function is performed may be critical. This could affect whether an employer can grant a request to modify an employee’s schedule. Employers should carefully assess whether modifying the hours could significantly disrupt their operations—that is, cause undue hardship—or whether the essential functions may be performed at different times with little or no impact on the operations or the ability of other employees to perform their jobs.

If...	Then...
Modifying an employee’s schedule poses an undue hardship	An employer must consider reassignment to a vacant position that would enable the employee to work during the hours requested.

Employees returning from an FMLA leave may request a modified or part-time schedule as an accommodation, and employers should consider such requests. However, employers should keep in mind that they need not completely exempt an employee from time and attendance requirements, grant open-ended schedules (e.g., the ability to arrive or leave whenever the employee’s disability necessitates) or accept irregular, unreliable attendance. An employee who is chronically, frequently and unpredictably absent may not be able to perform one or more essential functions of the job, or the employer may be able to demonstrate that any accommodation would impose an undue hardship, thus rendering the employee unqualified.

LEAVE

Permitting the use of accrued paid leave, or unpaid leave, is a form of reasonable accommodation when necessitated by an employee’s disability. An employer does not have to provide paid leave beyond that which is provided to similarly-situated employees. Employers should allow an employee with a disability to exhaust accrued paid leave first and then provide unpaid leave. An employee with a disability may need leave for a number of reasons related to the disability, including, but not limited to, recuperating from an illness or an episodic manifestation of the disability.

If an employee cannot return to work after exhausting FMLA leave, or if the employer and/or employee is not covered under the FMLA to begin with, extending the employee’s leave or providing leave can be a reasonable accommodation under the ADA. An employee with a disability who is granted leave as a reasonable accommodation is entitled to return to their same position unless the employer demonstrates that holding open the position would impose an undue hardship. Also, an employer cannot penalize an employee for work missed during leave taken as a reasonable accommodation. To do so would be retaliation for the employee’s use of a reasonable accommodation to which they are entitled by law.

If...	Then...
An employer cannot hold a position open during the entire leave period without incurring undue hardship	The employer must consider whether it has a vacant, equivalent position for which the employee is qualified and to which the employee can be reassigned to continue their leave for a specific period of time and then, at the conclusion of the leave, be returned to this new position.

LIMITATIONS

Although employers may have to grant extended medical leave as a reasonable accommodation, they have no obligation to provide leave of indefinite duration. Granting indefinite leave, like frequent and unpredictable requests for leave, can impose an undue hardship on an employer’s operations. Indefinite leave is different from leave requests that give an approximate date of return (e.g., a doctor’s note says that the employee is expected to return around the beginning of March) or give a time period for return (e.g., a doctor’s note says that the employee will return sometime between March 1 and April 1). If the approximate date of return or the estimated time period turns out to be incorrect, the employer may seek medical documentation to determine whether it can continue providing leave without undue hardship or whether the request for leave has become one for leave of indefinite duration.

In addition, when an employee requests leave as a reasonable accommodation, an employer may provide an accommodation that requires the employee to remain on the job instead, if the employer’s reasonable accommodation would be effective and eliminate the need for leave. An employer need not provide an employee’s preferred accommodation, as long as the employer provides an effective accommodation. In lieu of providing leave, an employer may provide a reasonable accommodation that requires an employee to remain on the job (e.g., reallocation of marginal functions or temporary transfer) as long as it does not interfere with the employee’s ability to address their medical needs. The employer is obligated, however, to restore the employee’s full duties or to return the employee to their original position once they no longer need the reasonable accommodation.

REASSIGNMENT

An employee who exhausts their FMLA leave may request a different position due to no longer being able to perform the position's essential functions or due to the employer's not being able to extend the employee's leave any longer in the employee's current position. The ADA specifically lists reassignment to a vacant position as a form of reasonable accommodation. Reassignment, also known as transfer, must be provided to an employee who, because of a disability, can no longer perform the essential functions of their current position, with or without reasonable accommodation, unless the employer can show that it would be an undue hardship.

An employee must be qualified for the new position, meaning they satisfy the requisite skill, experience, education and other job-related requirements of the position and can perform the essential functions of the new position, with or without reasonable accommodation. The employee does not need to be the best-qualified individual for the position in order to obtain it as a reassignment.

**Key Points:** *Before considering reassignment as a reasonable accommodation, employers should first consider those accommodations that would enable an employee to remain in their current position. Reassignment is the reasonable accommodation of last resort and is required only after it has been determined that:*

- *There are no effective accommodations that will enable the employee to perform the essential functions of their current position; or*
- *All other reasonable accommodations would impose an undue hardship.*

*However, if both the employer and the employee voluntarily agree that transfer is preferable to remaining in the current position with some form of reasonable accommodation, then the employer may transfer the employee.*

A vacant position means that the position is available when the employee asks for reasonable accommodation, or that the employer knows that it will become available within a reasonable amount of time. An employer does not have to bump an employee from a job in order to create a vacancy, nor does it have to create a new position.

An employer must reassign the individual to a vacant position that is equivalent in terms of pay, status or other relevant factors (e.g., benefits and geographical location) if the employee is qualified for the position. If there is no vacant equivalent position, the employer must reassign the employee to a vacant lower-level position for which the individual is qualified.

The employee is not permitted to compete for a vacant position; reassignment means that the employee gets the vacant position if they are qualified for it. However, reassignment does not include giving an employee a promotion. Thus, an employee must compete for any vacant position that would constitute a promotion.

Furthermore, employers cannot deny a reassignment to an employee solely because the employee is designated as probationary. An employee with a disability is eligible for reassignment to a new position, regardless of whether they are considered probationary, as long as the employee adequately performed the essential functions of the position, with or without reasonable accommodation, before the need for a reassignment arose.

**Compliance Tip:** Assuming there is more than one vacancy for which the employee is qualified, the employer must place the individual in the position that comes closest to the employee's current position in terms of pay, status, etc. If it is unclear which position comes closest, the employer should consult with the employee about their preference before determining the position to which the employee will be reassigned.

**Key Points:** *An employer is in the best position to know which jobs are vacant or will become vacant within a reasonable period of time. In order to narrow the search for potential vacancies, the employer, as part of the interactive process, should ask the employee about their qualifications and interests. Based on this information, the employer is obligated to inform an employee about vacant positions for which they may be eligible for reassignment. However, an employee should assist the employer in identifying appropriate vacancies to the extent that the employee has access to information about them. If the employer does not know whether the employee is qualified for a specific position, the employer and the employee can discuss the employee's qualifications.*

An employer should proceed as expeditiously as possible in determining whether there are appropriate vacancies. The length of this process will vary depending on how quickly an employer can search for and identify whether an appropriate vacant position exists. For a very small employer, this process may take one day; for other employers, this process may take several weeks. An employer will have fulfilled its obligation when it has taken the following actions:

- Completed its search;
- Identified whether there are any vacancies (including any positions that will become vacant in a reasonable amount of time);
- Notified the employee of the results; and
- Either offered an appropriate vacancy to the employee or informed them that no appropriate vacancies are available.



If there is no vacant equivalent or lesser position available, the employer may not need to reinstate the employee. In this situation, the employer must be prepared to prove that no other reinstatement options (reinstatement to original position, vacant equivalent position or vacant lesser position) were available without imposing an undue hardship on the employer.

If...	Then...
There is undue hardship to keep a position open during ADA leave.	Can the employee be reinstated to a vacant equivalent position?
No vacant equivalent position is available.	Can the employee be reinstated to a vacant lesser position?
No vacant lesser position is available.	The employee may not need to be reinstated.

If the employer and employee have thoroughly explored all accommodation options (including leave and reassignment) during the interactive process and no accommodations are available that do not impose an undue hardship, the employer may be able to consider terminating the employee. However, the employer should thoroughly document the interactive process, including any requests for accommodation, responses issued by the employer and undue hardship considerations. Furthermore, because terminating an employee is a highly sensitive matter with potential legal consequences, such as discrimination and retaliation claims, employers considering termination are strongly advised to consult their own legal counsel for individualized guidance. There may also be additional considerations that employers should keep in mind.

## PWFA

If an employee has a physical or mental condition related to pregnancy, childbirth or related medical conditions, the employee may be covered by the PWFA. The PWFA is a federal law that requires private employers with 15 or more employees, and other covered entities, to provide reasonable accommodation for the known limitations of a qualified individual related to pregnancy, childbirth or related conditions, unless it would cause undue hardship. Related medical conditions are medical conditions that relate to, are affected by or arise out of pregnancy or childbirth as applied to the specific employee or applicant in question. These may include conditions such as dehydration, loss of balance or high blood pressure. An employee or applicant does not have to specify any particular condition or use medical terms to describe a condition in order to be eligible for reasonable accommodation.

To be eligible for accommodations under the PWFA, an employee or applicant must be qualified. The PWFA has two definitions of "qualified individual." First, the PWFA adopts the ADA's definition of a qualified individual—that is, an individual who can perform the essential functions of the job with or without reasonable accommodation. Second, the PWFA extends its protections to employees or applicants even if they cannot perform one or more essential functions of a job under certain circumstances.

**Key Points:** Under the second part of the PWFA's definition of a qualified individual, an employee or applicant affected by pregnancy, childbirth or related medical conditions who is not able to perform essential functions will nevertheless be entitled to PWFA accommodations, absent undue hardship, where:

- The inability to perform an essential function is for a temporary period (defined as lasting for a limited time, not permanent and may extend beyond in the near future);
- The essential function could be performed in the near future (defined as generally within 40 weeks in the case of pregnancy and determined on a case-by-case basis for childbirth and related medical conditions); and
- The inability to perform the essential function can be reasonably accommodated.

This second definition differs from the ADA since the PWFA protects employees who are temporarily unable to perform an essential job function due to pregnancy, childbirth or a related condition.

The term "reasonable accommodation" has the same general meaning as it does under the ADA. Generally, reasonable accommodations are changes to the work environment or the way things are usually done. Reasonable accommodations under the PWFA include (among other things) modifications or adjustments to a work environment or to the manner or circumstances under which a position is done to allow a person with a known limitation to perform the essential functions of the job. Because the PWFA also provides for reasonable accommodations when an individual temporarily cannot perform one or more essential functions of a position but could do so in the near future, reasonable accommodation under the PWFA also includes modifications or adjustments that allow an employee with a known limitation to temporarily suspend one or more essential functions of the position.

Under the law, a modification or adjustment is reasonable if it seems reasonable on its face or appears to be feasible or plausible. An accommodation must also be effective in meeting the needs of the employee or applicant, meaning it removes a workplace barrier and provides the individual with equal opportunity. Thus, an employer may be required to provide reasonable accommodation for any need or problem an individual may have related to personal health or the health of the individual's pregnancy, regardless of severity. For example, PWFA accommodations may include allowing time off to attend medical appointments during and after pregnancy, even if the condition does not meet the more limited definition of a disability under the ADA.

Types of reasonable accommodation that a worker may seek under the PWFA include, but are not limited to:

- Job restructuring;
- Part-time or modified work schedules;
- More frequent breaks;
- The use of paid leave (whether accrued, short-term disability or another type of employer benefit) or the provision of unpaid leave, including to attend health care-related appointments and recover from childbirth (regardless of whether an employer provides these as a benefit);
- Assignment to light duty; and
- Telework.

Thus, an employee who exhausts FMLA leave may be entitled to reasonable accommodations, including leave or modified work schedules, under the PWFA if the employee has a condition related to pregnancy, childbirth or related medical conditions. The employee may be entitled to accommodation even if the condition does not meet the more limited definition of a disability under the ADA.

## Employee Morale Considerations

Aside from legal requirements and potential claims of discrimination or unfair treatment, employers should always consider how their actions may affect their reputation and employee morale. For example, terminating a disabled employee, even if legally justifiable and/or if an employer is not covered by leave or discrimination laws, may negatively affect employee morale. Employees may feel betrayed and resent an employer that discriminates against (even if only perceived to do so), does not accommodate and/or fires a co-worker with a disability. Feelings of resentment may, in turn, lead to decreased morale, productivity and loyalty to the employer. Valuable employees may not wish to remain employed with such an employer and may seek to find other employment, leading to increased turnover.

**Key Points:** *Legal requirements are not the only considerations that employers need to keep in mind when terminating employees after FMLA leave. Employers should also consider how their actions may affect their reputation and employee morale. Terminating a disabled employee, even if legally justifiable, may lead to employee resentment.*

Employees may even publicize and spread news of an employer's firing of a disabled co-worker, including orally and via online reviews, as a way to "get even" with the employer. News of such a termination may lead to an employer's development of a negative reputation, which may result in reduced business, customers and revenue. Also, if the employer's actions are publicized, qualified applicants who would otherwise work for the employer may not apply because they may not want to work for a company that is perceived to discriminate, even if the termination was justified or the employer was not covered by applicable law. The employer may thus develop a less-qualified workforce than it otherwise may have had.

Employers should take such employee morale considerations into account when taking any actions. Employers should consult with an HR professional or local counsel to thoroughly discuss any such concerns. Local counsel may very well advise an employer to take a course of action that is more burdensome than legally required in order to preserve workplace morale and attract valuable employees.

## Additional Considerations

Employers should be aware that other laws may provide additional protections, such as state and local laws. For example, many states have enacted their own laws to provide different or additional leave rights for employees than those provided under federal law. Where an employee's leave is covered by the FMLA in addition to a state leave law, the employer must determine whether the state law permits (or prohibits) the leave to run concurrently with the FMLA. Many state leave laws include specific language about their interaction with the FMLA.

Employers should check their state and local laws for any additional requirements and protections that may apply. When employees are covered by both federal and state laws, they are entitled to the greater benefit or more generous rights provided under the different parts of each law. Employers should also be mindful that state and local laws, including leave and discrimination laws, may cover smaller employers than the FMLA and ADA do.

Thus, when employees need time off because of a medical issue, it is important to remember that they may have rights under multiple laws at the same time.

## Conclusion

When an employee's FMLA entitlement expires, an employer should proceed cautiously before terminating the employee. The employer should consider whether it has accommodation obligations under the ADA. Furthermore, additional laws, such as state and local laws and/or the PWFA, may apply. Employers should also keep employee morale considerations in mind when taking any actions and should treat similarly situated employees the same.

Terminating an employee when a medical condition is involved is extremely risky and may lead to claims of discrimination and retaliation. While this Compliance Overview provides general considerations when terminating an employee after FMLA leave, terminations should be considered on a case-by-case basis after careful review of all relevant facts. An employer's actions may vary depending on the specific facts of the situation; there is no "one-size-fits-all" solution. Given the risks involved, employers are strongly advised to consult with local counsel for specific legal advice before terminating an employee when a medical condition is involved.

## LINKS AND RESOURCES

- [The Employer's Guide to The Family and Medical Leave Act](#), a publication of the U.S. Department of Labor's Wage and Hour Division
- U.S. Equal Employment Opportunity Commission (EEOC) [guidance](#) on reasonable accommodation and undue hardship under the ADA
- EEOC [guidance](#) on employer-provided leave and the ADA

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Provided to you by Team Nash

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