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Deloitte Can't Shake Leave Bias Suit From Ex-Manager

By **MJ Koo**

Law360 (August 19, 2026, 3:56 PM EDT) -- A California federal court has refused to dismiss a proposed class action accusing Deloitte Consulting LLP of penalizing employees through a performance evaluation system that shortchanges the compensation of workers who take parental or pregnancy leave.

U.S. District Judge Richard Seeborg **denied** Deloitte's motion to dismiss and motion to strike or narrow class claims Monday, allowing all 14 of Joanne Barela's individual and class claims to proceed.

"Barela plausibly alleges that Deloitte's facially neutral policies had a discriminatory effect on employees who took parental, pregnancy or pregnancy-disability leave," the court wrote.

Barela worked as a senior manager in Deloitte's Human Capital Consulting practice from 2013 until December 2025, when the company terminated her as part of a companywide reduction.

The suit centers on how Deloitte calculates performance review scores that directly determine yearly salary increases and bonuses. A key component the company factors into review scores is something it calls Utilization, which measures total billable hours divided by expected standard hours without accounting for leave taken.

Employees who take parental, pregnancy or pregnancy-disability leave consequently accumulate fewer billable hours, resulting in lower Utilization scores and lower performance band placements that translate into smaller salary increases and bonuses in the years they took leave.

Barela alleges she received high performance ratings with a mix of "Exceptional" and "Strong" scores every year except 2021 and 2024, the two years she took extended parental and pregnancy-related disability leave.

In Performance Year 2024, her Utilization score dropped to 38%, resulting in lower salary increases despite strong underlying performance.

She also alleges that the length of time she had been a senior manager, which Deloitte counts as including leave periods, influenced her termination decision when the company expected senior managers to be promoted within four to six years.

On the interference claims under federal and state family leave laws, Deloitte had argued Barela needed to show the company treated employees who took parental or pregnancy-related leave differently from those who took other types of leave.

The court rejected that framing, finding that Deloitte's use of a Utilization metric that mechanically disadvantages employees absent on parental or pregnancy leave plausibly stated an interference claim regardless of how other leave types were treated.

On the disparate impact claims, Deloitte argued Barela needed to show that men and women who take protected leave are treated differently from each other.

The court again rejected the argument, finding that a performance system that penalizes anyone who takes pregnancy or parental leave can support a sex discrimination claim because the protected characteristics overlap substantially with the affected group.

On the accommodation claims under the federal Pregnant Workers Fairness Act and California's Fair Employment and Housing Act, Deloitte argued Barela did not allege she sought a reasonable accommodation or that any accommodation request was the cause of her termination.

The court found the complaint adequately alleged that Barela took leave as a form of accommodation for her pregnancy-related conditions and that the performance system's treatment of that leave constituted a denial of reasonable accommodation.

The court also rejected Deloitte's bid to strike or narrow the class allegations, finding it premature to resolve class certification questions at the pleading stage when Barela had alleged a uniform companywide policy affecting all employees who took parental or pregnancy leave.

Barela **filed** the suit in April 2026, alleging that Deloitte's performance evaluation system violated federal and state family leave and discrimination laws by systematically disadvantaging employees who took parental or pregnancy leave.

James Finberg of Altshuler Berzon LLP, who represents Barela, told Law360 on Wednesday that the order "makes clear that it is illegal for an employer to penalize employees for taking pregnancy or parental leave," adding that he hopes "this case will make it easier for pregnant women and parents to take the leave to which they are entitled."

Counsel for Deloitte did not immediately respond to requests for comment

Wednesday.

Barela is represented by Eve Cervantez, James Finberg and Marisa Lowe of Altshuler Berzon LLP and by Michelle Lee, John Mullan and Jessica Spierer of Rudy Exelrod Zieff & Lowe LLP.

Deloitte is represented by Erin Connell, Lauren Goldsmith and Kayla Grundy of Orrick Herrington & Sutcliffe LLP.

The case is Barela v. Deloitte Consulting LLP, case number 3:26-cv-03051, in the U.S. District Court for the Northern District of California.

--Editing by Nick Petruncio.
