



Courtesy of Meridian Benefits Consulting

Q

What does “employment-at-will” mean?

A

Employment-at-will is a legal doctrine that states that the relationship between an employer and employee may be terminated by either party at any time, with or without reason, as long as the reason is not illegal (e.g., discriminatory). This doctrine holds true in every state except Montana, which protects employees after they complete a probationary period.

There are exceptions to the employment-at-will doctrine. They are:

- Public policy
- Implied contract
- Covenant of good faith

Employment-at-will is a default presumption in the United States, but this presumption can be overcome by implied or explicit employment contracts and by governmental regulation.

Employment contracts exist when employers and individuals define the terms and expectations of the employment relationship. These can be defined over time, and they do not need to be reduced to writing. Federal regulations and state fair employment laws overcome the employment-at-will presumption by prohibiting employers from engaging in conduct that would discriminate against protected groups on the basis of race, sex, disability, age, etc. Also, federal law prohibits an employer from terminating an employee for the purpose of preventing him or her from qualifying for a pension or similar benefit.

When the presumption for employment-at-will is overcome by contract or law, employers must be careful not to commit a wrongful discharge. Employers can learn how to avoid wrongful discharges in general by becoming familiar with their employment contracts and handbooks, and by studying state and federal laws.