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H.466

Introduced by Representative Donovan of Burlington

Referred to Committee on

Date:

Subject: Labor; employment practices; good cause employment

Statement of purpose of bill as introduced: This bill proposes to establish a
good cause standard for termination of employment in Vermont

An act relating to good cause employment

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. FINDINGS

The General Assembly finds:

(1) The Vermont statutes offer workers protection from many forms of
arbitrary or discriminatory treatment in the workplace.

(2) Some Vermont workers enjoy protections from termination for no
reason or termination for an arbitrary, capricious, trivial, or pretextual reason
pursuant to a collective bargaining agreement or contract.

(3) Other Vermont workers, however, do not enjoy such protections.
Those workers are known as “at will” employees. An “at will” employee may
be discharged for any reason that is not prohibited by law or public policy, or
for no reason at all.

1 (4) Currently, absent an agreement between an employer and an
2 employee to the contrary, an employee is presumed to be an “at-will”
3 employee in 49 out of 50 U.S. states.

4 (5) However, Montana and most industrialized countries provide
5 workers with legal protections against arbitrary dismissal. Among other
6 things, Montana’s law makes it illegal to discharge an employee for other than
7 “good cause” after the employee has completed his or her probationary period.
8 “Good cause” can include a variety of legitimate business reasons, including
9 an employee’s failure to perform his or her job duties satisfactorily, disruption
10 to the employer’s operations, or other economic factors.

11 (6) The additional job security that a “good cause” standard for
12 dismissal provides will distinguish Vermont from other states and make it a
13 more attractive place for workers and families to relocate, live, and raise a
14 family.

15 Sec. 2. 21 V.S.A. § 495 is amended to read:

16 § 495. UNLAWFUL EMPLOYMENT PRACTICE

17 * * *

18 (b)(1) It shall be an unlawful employment practice for an employer to
19 discharge an employee for other than good cause shown. As used in this
20 subdivision, “good cause” means either a reasonable, good-faith reason for
21 discharge related to a legitimate business reason or that the employee has been

1 employed by the employer for less than 90 days. “Good cause” does not
2 include reasons for discharge that are trivial, arbitrary, capricious, or otherwise
3 unrelated to a legitimate business reason.

4 (2) The provisions of this section shall not be construed to limit:

5 (A) the rights of employers to discharge employees for good cause
6 shown; or

7 (B) any other rights of employees provided pursuant to law, or in a
8 collective bargaining agreement or contract.

9 * * *

10 Sec. 3. EFFECTIVE DATE

11 This act shall take effect on July 1, 2017.