

1 H.851

2 Introduced by Representatives Kornheiser of Brattleboro, Anthony of Barre  
3 City, Cina of Burlington, Colburn of Burlington, Cordes of  
4 Lincoln, Donovan of Burlington, Killacky of South Burlington,  
5 Sullivan of Burlington, Walz of Barre City, and Yantachka of  
6 Charlotte

7 Referred to Committee on

8 Date:

9 Subject: Labor; employment practices; good cause employment

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

12 An act relating to establishing a good cause standard for termination of  
13 employment

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

15 Sec. 1. FINDINGS

16 The General Assembly finds that:

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

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

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

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

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

18          (6) The additional job security that a “good cause” standard for  
19          dismissal provides will distinguish Vermont from other states and make it a  
20          more attractive place for workers and families to relocate, live, and raise  
21          children.

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

2 § 495. UNLAWFUL EMPLOYMENT PRACTICE

3 \* \* \*

4 (b)(1) It shall be an unlawful employment practice for an employer to  
5 discharge an employee for other than good cause shown. As used in this  
6 subdivision, “good cause” means either a reasonable, good-faith reason for  
7 discharge related to a legitimate business reason or that the employee has been  
8 employed by the employer for fewer than 90 days. “Good cause” does not  
9 include reasons for discharge that are trivial, arbitrary, capricious, or otherwise  
10 unrelated to a legitimate business reason. A “legitimate business reason”  
11 includes the employee’s failure to satisfactorily perform job duties.

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

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

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

17 \* \* \*

18 Sec. 3. EFFECTIVE DATE

19 This act shall take effect on July 1, 2020.