

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 384

Short Title: Employment Termination Study.

(Public)

Sponsors: Representatives Beall; Colton, Jenkins, and Ramsey.

Referred to: Rules, Calendar, and Operations of the House.

March 3, 1993

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE LEGISLATIVE RESEARCH COMMISSION TO
STUDY THE MODEL EMPLOYMENT TERMINATION ACT.

Whereas, North Carolina has followed the "Employment at Will Doctrine," which states that an employer may discharge an employee for a good reason, for a bad reason, or for no reason at all; and

Whereas, despite recent qualifications of caselaw and statute prohibiting discharges for certain "bad reasons," North Carolina still generally adheres to the "Employment at Will Doctrine"; and

Whereas, many noncontractual employees are left unprotected from wrongful discharge; and

Whereas, the National Conference of Commissioners on Uniform State Laws adopted in August 1991 and recommended to the legislatures of states the "Model Employment Termination Act," a bill which strikes a compromise between employers and employees similar to the compromise that undergirds Workers' Compensation: The employee gives up the right to sue for pain-and-suffering and punitive damages and gets a remedy of reinstatement or severance pay if discharged for other than good cause, and the employer gives up the right to discharge an employee arbitrarily but gets alleviation of the fear of multimillion dollar lawsuits; and

Whereas, the distinguished record of the National Conference of Commissioners of Uniform State Laws commends to North Carolina the study of this proposed solution to the issue of employment termination; Now, therefore:

The General Assembly of North Carolina enacts:

1 Section 1. The Legislative Research Commission may study issues related to
2 the Model Employment Termination Act, which was adopted in August 1991 by the
3 National Conference of Commissioners on Uniform State Laws.

4 Sec. 2. The issues the Legislative Research Commission may study include,
5 but are not limited to, the following:

6 (1) The current state of the common law with regard to the right of
7 employees in North Carolina to be free from wrongful discharge,
8 including recent caselaw trends limiting the "Employment at Will
9 Doctrine";

10 (2) The statutory protections for North Carolina employees from wrongful
11 discharge;

12 (3) The protections against wrongful discharge provided by other states;

13 (4) The impact that the protections in the Model Employment Termination
14 Act may have on the welfare of employees and employers; and

15 (5) The adaptation of the Model Employment Termination Act to North
16 Carolina.

17 Sec. 3. The Legislative Research Commission may make its
18 recommendations and submit an interim report to the 1993 General Assembly, Regular
19 Session 1994, and may make a final report to the 1995 General Assembly.

20 Sec. 4. This act is effective upon ratification.