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March 16, 2023

**Alabama Supreme Court reads at-will disclaimer narrowly
to find contract rights in employee handbook**

Alabama is traditionally, and correctly, known as a strong employment-at-will state. Having a rule of employment-at-will means that any attempt to put conditions on or enforce supposed implicit promises about an employment relationship tends to face an uphill battle. Alabama courts have rejected every attempt employees and former employees have made to read legal standards and causes of action into the employment relationship. This includes ruling, before the Code of Alabama was amended to specifically protect it, that an employer could fire an employee because they sought workers' compensation benefits. (Note: don't do this! It's illegal now!). The courts have expressed a similar reluctance to find contract rights in employer policies, handbooks, and postings.

Until earlier this year, when the Alabama Supreme Court found an employee had a right to notices and an internal hearing in advance of his potential termination. The employer argued that no such right existed because the employment relationship was at-will, and the handbook included a disclaimer that it wasn't a contract of employment *for any specific duration*.

While the Court accepted that the employee was an employee at-will with respect to the *reasons* his employment could be terminated, it found the handbook had unambiguously created a mandatory process that had to be followed before termination could occur. The Court contrasted the Handbook's explicitly non-exclusive list of reasons that could result in termination with what it read as a mandatory internal notice and review process.

Action Items:

- (1) Copy—or closely follow—the disclaimer language endorsed by the Court in this decision: “This Handbook and the policies contained herein do not in any way constitute, and should not be construed as a contract of employment between the employer and the employee, or a promise of employment.” Or, more succinctly, “The policies in this [handbook] are not an expressed or implied contract of employment.”

According to the Court, the employer went wrong by disclaiming only that the Handbook wasn't a contract for employment *for any specified period of time*.

- (2) Review policies for *shalls*, *wills*, and *musts* that apply to the employer, and import reservations of discretion and the ability to act immediately and review later, particularly regarding discipline and internal grievance/appeal procedures.