

THE MODEL EMPLOYMENT TERMINATIONS ACT

In 1991 the Model Employment Terminations Act was adopted by the Uniform Law Commissioners and offered to the state legislatures for their consideration. So far, no state has adopted the Act, although it is possible that some will do so. As a result, church leaders should be familiar with the Act's major provisions, which are summarized below:

1. The Act prohibits employers from dismissing an employee without good cause. However, this limitation only applies to employees who have been employed by the same employer for at least one year.
2. The Act defines good cause as (1) a "reasonable basis" for termination based on such considerations as the employee's job performance or employment record; or (2) an employer's "business judgment" (for example, the reorganization, consolidation, or discontinuation of positions or departments, or "changing standards of performance for positions").
3. Only those employers with five or more employees are covered by the Act.
4. The Act does not apply to self-employed persons.
5. The Act permits employees to waive the Act's requirement that terminations be based on good cause by entering into a severance agreement with their employer. The Act defines the terms that must appear in such an agreement.