

THE TEXAS AT-WILL EMPLOYMENT DOCTRINE & ITS KEY EXCEPTIONS

I. STATUS OF AT-WILL EMPLOYMENT

The “Employment At-Will Doctrine” means that employment for an indefinite term can be terminated by either the employer or the employee at will and without cause. While application varies from state to state, for more than a century, Texas courts have tightly adhered to this doctrine. Therefore, Texas employees who are not hired for any specific period, absent a statute, public policy, or contract that limits the employer's prerogatives, may be discharged at any time, for any reason, or for no reason at all. *East Line and R.R.R. Co. v. Scott*, 10 S.W. 99, 102 (Tex. 1888); *Maus v. National Living Centers, Inc.*, 633 S.W.2d 674 (Tex. App.–Austin 1982, writ ref'd n.r.e.); *Federal Express Corp. v. Dutschmann*, 846 S.W.2d 282, 283 (Tex. 1993)(per curiam).

Despite the employment-at-will doctrine's long heritage, it has been compromised by the host of exceptions found in federal and state statutory law and one exception in Texas under state common law. The number of employees an employer must have before a statutory exception applies varies by statute. In many instances, smaller employers are excluded. In any event, the employment-at-will doctrine is still the rule unless there is a statutory exception or the common law exception that applies.

II. STATE STATUTORY EXCEPTIONS

The following are among the key exceptions to the at-will doctrine created by Texas state law. Not every exception creates a corresponding private right of action to the employee.

A. Texas Commission on Human Rights Act

The Texas Commission on Human Rights Act (“TCHRA”), commonly referred to as Chapter 21 of the Texas Labor Code, prohibits an employer from discharging or otherwise discriminating against employees or applicants for employment with respect to compensation or the terms, conditions or privileges of employment because of race, color, disability, religion, sex, national origin, or age. TEX. LAB. CODE ANN. § 21.051. TEX. LAB. CODE § 21.055 prohibits retaliation against an employee who opposes a discriminatory practice, makes or files a charge, files a complaint, or testifies, assists, or participates in any manner in an investigation, proceeding, or hearing. The TCHRA is administered by the Texas Workforce Commission–Civil Rights Division (“TWC–CRD”) which is empowered to implement the Act and pursue, through judicial process, remedies for violations of the Act. The TWC–CRD is the state parallel to the federal Equal Employment Opportunity Commission (“EEOC”) and was created to meet the criteria of a state deferral agency under federal law. While there are definite distinctions between the TCHRA and corollary federal laws, Texas courts often look to analogous federal law when resolving disputes brought under the State act. *Specialty Retailers, Inc. v. DeMoranville*, 933 S.W.2d 490, 492 (Tex. 1996).

B. Texas CROWN Act

The Texas CROWN Act, which went into effect on September 1, 2023, broadened the definition of race discrimination under Chapter 21 of the Texas Labor Code to include discrimination against employee’s hair texture or “protective hairstyle” historically associated with race. “Protective hairstyle” is specifically defined to include braids, locks and twists.”

C. Workers' Compensation Discrimination or Retaliation

Chapter 451 of the TEX. LAB. CODE prohibits an employer from discharging or otherwise discriminating against an employee because the employee, in good faith, instituted a proceeding under the Act, including the filing of a claim for workers' compensation benefits or the hiring of a lawyer to represent the employee in the claim. A plaintiff need not prove that the plaintiff's pursuit of rights under the Act was the sole cause for termination; it is sufficient to show that there exists a "causal connection" between the plaintiff's exercise of statutory rights and the employer's decision to discharge the plaintiff. *Cont'l Coffee Products Co. v. Cazarez*, 937 S.W.2d 444, 450 (Tex. 1996).

D. Discharge Because of Jury Service

Chapter 122 of the TEX. CIV. PRAC. & REM. CODE prohibits an employer from firing, threatening to fire, intimidating or coercing any permanent employee because the employee serves as a juror or grand juror or because of the employee's attendance or scheduled attendance at jury duty. TEX. CIV. PRAC. & REM. CODE § 122.001(a).

E. Child Support Withholding Order

Section 158.209 of the TEX. FAMILY CODE provides that employer may not use an order or writ of withholding as grounds in whole or part for the refusal to hire or termination of employment or for any other disciplinary action against an employee. If an employer intentionally discharges an employee in violation of this section, the employer continues to be liable to the employee for current wages and other benefits and for reasonable attorney's fees and court costs incurred by the employee in enforcing the employee's rights as provided in this section.

F. Compliance with Subpoena

An employer may not discharge, discipline, or penalize in any manner an employee because the employee complies with a valid subpoena to appear in a civil, criminal, legislative, or administrative proceeding. TEX. LAB. CODE § 52.051(a). If the subpoena to which a violation of § 52.051(a) applies is issued by a court, the employer who committed the violation may be found in contempt by the court issuing the subpoena.

G. Union Membership (Right to Work)

A person may not be denied employment (the "right to work") based on membership or non-membership in a labor union. TEX. LAB. CODE § 101.052. This concept is often confused with the notion of the at-will employment doctrine.

H. Voting Rights

The Election Code prohibits an employer from preventing an employee from attending a county, district, or state political convention as a delegate or retaliating against an employee for doing so. TEX. ELEC. CODE § 161.007. It is unlawful to retaliate against an employee because the employee voted for a candidate or measure, or against a person who refuses to reveal how they voted, by subjecting or threatening to subject the employee to a loss or reduction of wages or another benefit of employment. *Id.* § 276.001. Finally, employees must be given time off to vote, unless the polls are open on election day for two consecutive hours outside of the employee's regular working hours. *Id.* § 276.004.

I. Persons with Intellectual Disabilities

The TEX. HEALTH & SAFETY CODE § 592.015 prohibits an employer, employment agency or labor organization from denying a person with an intellectual disability equal opportunities in employment except when such differential treatment is based upon bona fide occupational qualifications reasonably necessary to the normal operation of the business or if the person's intellectual disability significantly impairs their performance of the duties/tasks of the position for which they were hired.

J. HIV/AIDS Testing

The TEX. HEALTH & SAFETY CODE §§ 81.102-103 prohibits a person from requiring another person to undergo a medical procedure or test to determine if a person has AIDS or HIV infection, antibodies to HIV, or infection with any other probable causative agent of AIDS except for specified exemptions, including the medical procedure/test is necessary as a bona fide occupational qualification and there is not a less discriminatory means of satisfying the occupational qualification. It carries a criminal penalty if violated. Additionally, the statute contains strict disclosure provisions that, with a few limited exceptions, prohibit the disclosure of the results of the medical procedure/test to anyone other than a health care official, without the consent of the person who took the test/had the procedure.

K. Health & Safety Reports

The TEX. LAB. CODE § 411.082 provides that an employer may not discriminate or retaliate against an employee who uses the telephone service (i.e., a telephone hotline), in good faith, to report an alleged violation of an occupational health or safety law.

L. Emergency Evacuations

The TEX. LAB. CODE § 22.002 prohibits an employer from discharging or otherwise discriminating against an employee who leaves their place of employment to participate in a general public evacuation ordered under an emergency evacuation order. An employer who violates this section is liable for loss of wages and employer-provided benefits. *Id.* § 22.003 Additionally, an aggrieved employee is entitled to reinstatement in the same or an equivalent position with commensurate pay. *Id.*

M. Public Whistleblower Action

The Texas Whistleblower Act, TEX. GOV'T CODE § 554.002 prohibits public employers from taking adverse personnel actions against employees who, in good faith, report violations of law committed by their employers or co-workers, to an appropriate law enforcement authority.

N. Whistleblowing by Health Care Facility Employee

The TEX. HEALTH & SAFETY CODE § 161.134 prohibits retaliation against an employee of a hospital, mental health facility or treatment facility who reports illegal activity to the employee's supervisor, an administrator of the facility, a state regulatory agency or a law enforcement agency.

O. Texas Payday Law

While not an exception to the at-will employment doctrine, the Texas Payday Law is codified at Chapter 61 of the TEX. LAB. CODE and sets forth the state law requirements with respect to the

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