

The State of Employment Law: Montana Rebuffs At-Will Employment

Article By:

Douglas M. Oldham

Twenty years ago, it was easier for employers to draft employee handbooks and policies than it is today. Back then, most states' laws mirrored federal law, and there was typically little difference from one state to the next. Most employees worked in their employer's physical office space, meaning employees were not as likely to be spread over several states. Only large, multi-state employers had to spend much time worrying about compliance with different state laws, and those differences tended to be minimal.

In 2025, things are different. Employers of all sizes routinely employ remote workers around the U.S. Moreover, many states have become more active, passing increasingly detailed and demanding laws to protect employees. As a result, even small and medium-sized employers have to create policies that work in a variety of states with sharply different laws.

In this series, we will explore some of the ways states vary from one another in their employment laws. Some blog posts may focus on a quirky law that only one state or a small collection of states have passed that is different from the norm. Others will detail a national split where several states take a more radical approach to an issue than another large group of states. Either way, we will highlight state-based differences for you to consider when drafting company policies.

Montana's At-Will Outlier Status

Forty-nine out of 50 states have a default position of at-will employment. Employees can generally quit or be fired from their job at any time for practically any reason. One state is different: Montana.

Pursuant to Montana's Wrongful Discharge in Employment Act, any employee who has completed their probationary period of employment cannot be terminated without good cause, which is defined as unsatisfactory performance, the employee's disruption of the employer's operation, the repeated violation of the employer's written policies, or a legitimate business reason (such as layoffs at a struggling business). If an employee is terminated without good cause, they can file suit and recover up to four years of lost wages and benefits, plus punitive damages.

According to the U.S. Census Bureau, Montana's population grew by approximately 5 percent between April 2020 and July 2024. Montana was a popular place for city dwellers to move to during

the COVID-19 pandemic to get some space and fresh air. As such, it is more likely now than at any time before that you could have an employee who used to work down the hall from you and now works remotely from Montana. If you want to terminate that employee, take care, because you will need good cause to do so in that unique state.

© 2025 BARNES & THORNBURG LLP

National Law Review, Volume XV, Number 100

Source URL: <https://natlawreview.com/article/state-employment-law-montana-rebuffs-will-employment>