

OUR INSIGHTS

Louisiana Supreme Court Reaffirms At-Will Employment Doctrine

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In *Read v. Willwoods Community*, 2014-C-1475 (La. 2015), the Supreme Court of Louisiana overturned a jury verdict awarding damages to a plaintiff who claimed that his employer breached a verbal contract to employ him for a term of five years. The plaintiff argued that during his interview the interviewers asked the plaintiff (who was 65 years old at the time) whether he was “prepared to commit to a period of employment for five or six years” to which he responded affirmatively. After the interview, the plaintiff was offered the job. The plaintiff accepted the position, met with the employer to discuss salary and benefits, and began working. No written employment contract was ever executed. At no point after the interview did the plaintiff discuss a term of employment with his employer.

The jury awarded damages to the plaintiff and the Louisiana Fifth Circuit Court of Appeal affirmed. The Supreme Court of Louisiana reversed. It is well settled in Louisiana that unless an employer and employee specify a term of employment, employment is “at will” and either party may terminate employment for any reason not prohibited by state or federal law. The court noted that a contract establishing a term of employment may be created orally. However, in reaching its conclusion that no contract had been created, the court held that the parties must clearly agree to be bound for a certain period of time, and this consent to form such a contract is established through offer and acceptance. The court continued: “Because consent to form a contract is established through offer and acceptance, *an actual offer is indispensable* [emphasis added].” The court noted that the plaintiff did not receive a job offer during the interview when the questions regarding his commitment to work for five to six years came up, and therefore it was impossible for him to have accepted an offer for a term of employment at that time.

While *Read* affirms the status quo in Louisiana, employers should take away several important points. First, employers should confirm in writing that the employer intends to create and maintain, an at-will employment relationship, because a stray comment during the hiring process could lead a job applicant—and later a jury—to believe that an oral agreement created a term of employment. And second, while it appears under *Read* that such a stray comment during a pre-employment interview would *not* create an oral contract if no offer is made during the interview, *Read* leaves open the possibility that such a comment at a later stage in the hiring process could be taken as an offer for a definite period of employment.

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Katie Pizzini graduated from Loyola University New Orleans College of Law in 2011, and joined Ogletree Deakins after over three years' experience litigating cases on the plaintiff side. While attending law school, Katie was Selection Chairman on the Moot Court Board, a competitor on the Worker's Compensation Moot Court Team, and a *Loyola Law Review* Member. She graduated *magna cum laude*, and was a William L. Crowe Scholar.

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