

JUST GIVE ME A REASON—WHY IOWA SHOULD REQUIRE EMPLOYERS TO PROVIDE TERMINATION LETTERS TO EMPLOYEES UPON SEPARATION

ABSTRACT

This Note evaluates the history of at-will employment in Iowa as well as alternative exceptions other states have adopted. Iowa recognizes public policy and implied contract exemptions providing employees with causes of action for wrongful and discriminatory termination. The reason for termination is paramount in bringing a claim under these theories of recovery. In 2022, Colorado passed Senate Bill 234 requiring employers to provide terminated employees with a reason for separation. This increased transparency benefits both employees and employers by streamlining litigation, assisting in the unemployment process, and creating a mutual starting point for conciliation attempts. The Iowa legislature should consider requiring employers to provide termination letters, or at a minimum update its unemployment form to include a reason for separation, for all terminated employees.

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I. INTRODUCTION

Iowa, like all U.S. states aside from Montana, is an at-will employment state.¹ This means an employer can terminate an employee at any time for any reason—in theory at least.² In reality, there are quite a few reasons an employer cannot terminate an employee.³ This is where states start diverging on methodology for protecting at-will employees from termination for improper purposes.⁴ Iowa recognizes public policy and implied contract exceptions to the doctrine of at-will employment.⁵ These exceptions elucidate numerous improper reasons an employer could terminate an individual's employment, however, employers are still not required to provide an employee with the reason they were let go.⁶ When the reason for termination is necessary to prove wrongful or discriminatory termination, but not required to be provided to the employee, it is difficult for an employee to prove they were terminated for an improper purpose.⁷

Requiring an employer to provide an employee the reason for termination would alleviate this burden on the employee, while still adhering to Iowa's firmly established at-will employment doctrine.⁸ This would benefit employees as it provides a meaningful starting point for unemployment, wrongful termination, or

1. *See At-Will Employment – Overview*, NAT'L CONF. OF STATE LEGISLATURES (Apr. 15, 2008), <https://www.ncsl.org/labor-and-employment/at-will-employment-overview> [https://perma.cc/2FS2-TZBT].

2. *See id.*

3. *See id.*

4. *See id.* (“[N]ot all claims are recognized in all jurisdictions and judicial interpretations of common law protections may be broadly or narrowly construed.”).

5. *See Fry v. Mount*, 554 N.W.2d 263, 265 (Iowa 1996).

6. *See Fitzgerald v. Salsbury Chem., Inc.*, 613 N.W.2d 275, 280 (Iowa 2000) (en banc) (finding a public policy exception to the at-will doctrine when an employee is fired for refusing to commit perjury, but failure for the employer to provide the specific reason for termination is not listed as an element for discharge in violation of public policy).

7. *See* Neil Shouse, *Does an Employer Have to Tell You Why You Were Fired?*, SHOUSE CAL. L. GRP. (June 14, 2024), <https://www.shouselaw.com/ca/blog/does-an-employer-have-to-tell-you-why-you-were-fired/> [https://perma.cc/X26Z-FY4Y] (noting even when employer does offer a notice of reason to terminate an employee, if it states it was for a lawful reason, the employee must show that “it was pretextual” before a wrongful termination claim can continue).

8. *See* Colin A. Walker, *New Law Requires Notice of Reason for Termination*, FAIRFIELD & WOODS P.C. (July 6, 2022) [hereinafter Walker, *New Law Requires Notice*], <https://www.fwlaw.com/insights/new-law-requires-notice-of-reason-for-termination> [https://perma.cc/GUS7-2U3P] (discussing how employers who “soft pedal” the reasons for the termination in the termination letter give a plaintiff’s attorney leverage “to challenge the employer’s reasoning” and “undermine the employer’s credibility.”).

discriminatory discharge claims.⁹ It would also benefit employers as it would cut down on frivolous lawsuits and is considered best practice amongst the human resources industry.¹⁰ Overall, requiring a reason for termination to be provided to employees should create a mutual starting point for conciliation attempts and decrease overall litigation.

II. BACKGROUND OF AT-WILL EMPLOYMENT IN IOWA

A. *At-Will Employment Defined*

The common law doctrine of at-will employment is a unique aspect of U.S. tradition.¹¹ The United States is one of only a few countries where this is the presumptive employment model.¹² All U.S. states are at-will, except Montana.¹³ The doctrine has increasingly changed over time to address modern problems in the workforce, while attempting to maintain its doctrinal integrity.¹⁴

The doctrine is deeply rooted in the American ideals of “respect for freedom of contract, employer deference, and the belief that both employers and employees favor an at-will employment relationship over job security.”¹⁵ At-will employment, by definition, means that an employer can terminate an individual’s employment for any reason at any time.¹⁶ This gives extreme latitude to employers, but also benefits the employee because an employee may likewise quit for any reason at any time without legal ramification.¹⁷ The at-will employment model

9. *See id.* (noting an employer who provides an inadequate, vague, or false reason for termination opens the door for the employee to use the letter “to show that the employer lied or had a pretext for termination, such as discrimination.”).

10. *See Should a Company Provide a Terminated Employee with a Reason for the Termination?*, SHRM (Nov. 16, 2023), <https://www.shrm.org/topics-tools/tools/hr-answers/company-provide-terminated-employee-reason-termination> [<https://perma.cc/B2U8-KFUN>] (discussing how notice of reason can prevent improper discharge claims, strengthen employer’s potential litigation defense, and encourage careful consideration of termination reasons).

11. *See At-Will Employment – Overview*, *supra* note 1.

12. *Id.*

13. *Id.*

14. *See id.* (noting “courts have carved out exceptions to the at-will presumption” while ensuring the presumption remains robust).

15. *Id.*

16. *Ferguson v. Exide Techs., Inc.*, 936 N.W.2d 429, 431 (Iowa 2019) (per curiam).

17. *See Fogel v. Trs. of Iowa Coll.*, 446 N.W.2d 451, 452–57 (Iowa 1989) (finding a lawful termination of an employee who had a “chronic hygiene problem” among other unsatisfactory performance issues); *Fitzgerald v. Salsbury Chem., Inc.*, 613 N.W.2d 275, 280 (Iowa 2000) (en banc) (“[T]he right of the employee to quit the service of the employer, for

allows employers and employees to define their own terms of employment and does not apply in situations where an employment contract exists.¹⁸ While most other countries allow employers to only terminate employment for cause, the presumption in the United States is—absent an employment contract modifying the presumption—employment is at-will.¹⁹

On its face, at-will employment presents as a mutually beneficial employment model for both employee and employer. But with the innate power imbalance between employee and employer there exists some serious ramifications for employees that must be taken into consideration:

At-will also means that an employer can change the terms of the employment relationship with no notice and no consequences. For example, an employer can alter wages, terminate benefits, or reduce paid time off. In its unadulterated form, the U.S. at-will rule leaves employees vulnerable to arbitrary and sudden dismissal, a limited or on-call work schedule depending on the employer's needs, and unannounced cuts in pay and benefits.²⁰

At-will employment was intended to benefit both employee and employer equally, but the modern iteration of the doctrine simply does not protect employees in the same way it does employers.²¹ For decades, legislatures have attempted to address this power imbalance by adopting exemptions to the doctrine.

B. *The Evolution of the Exception for "Public Policy"*

The doctrine has grown to accommodate modern concerns such as discrimination, retaliation, and worker's compensation.²² "In recent years, legislatures and courts have increasingly limited the freedom to terminate the at-will employment relationship."²³ On a national level, this is perhaps best illustrated by the Civil Rights Act of 1964 prohibiting discrimination based on protected

whatever reason, is the same as the right of the employer, for whatever reason, to dispense with the services of the employee[.]" (quoting *Adair v. United States*, 208 U.S. 161, 174–75 (1908), *overruled in part by* *Phelps Dodge Corp. v. NLRB*, 313 U.S. 177 (1941))).

18. See *Fitzgerald*, 613 N.W.2d at 280 ("Absent a valid contract of employment, an employment relationship is generally considered to be inherently indefinite and presumed to be at-will.").

19. *At-Will Employment – Overview*, *supra* note 1.

20. *Id.*

21. See *id.*

22. MAYNARD G. SAUTTER, *EMPLOYMENT IN IOWA: A GUIDE TO EMPLOYMENT LAWS, REGULATIONS, AND PRACTICES* § 3-1 (Matthew Bender ed., 3d ed. 2018).

23. *Id.*

bases in various employment activities.²⁴ The Iowa Civil Rights Act (ICRA) incorporates the same concerns, and additional protected bases:

It shall be an unfair or discriminatory practice for any . . . [p]erson to refuse to hire, accept, register, classify, or refer for employment, to discharge any employee, or to otherwise discriminate in employment against any applicant for employment or any employee because of the age, race, creed, color, sex, sexual orientation, national origin, religion, or disability of such applicant or employee, unless based upon the nature of the occupation.²⁵

To balance these concerns with the freedoms guaranteed by the at-will employment doctrine, Iowa has developed an exception for public policy.²⁶ This modification to the at-will employment doctrine has allowed employees in Iowa to have “a cause of action . . . for wrongful discharge from employment when the reasons for the discharge contravene public policy.”²⁷ Essentially, employers can still terminate employees for any reason, so long as that reason is not one against public policy.²⁸

In determining what constitutes such a reason, Iowa courts look to the legislature and the state constitution.²⁹ A major class of reasons contrary to public policy is wrongful discharge.³⁰ This cause of action involves an employee engaging in a protected activity constituting a determinative factor in being fired.³¹ Some examples of protected activities resulting in successful wrongful termination claims include: pursuing worker’s compensation benefits,³² refusing to commit perjury on behalf of the employer in litigation,³³ claiming healthcare benefits,³⁴

24. See Civil Rights Act of 1964, Pub. L. No. 88-352, 78 Stat. 241 (codified as amended in scattered sections of 42 U.S.C.).

25. IOWA CODE § 216.6 (2026).

26. See *Fitzgerald v. Salsbury Chem., Inc.*, 613 N.W.2d 275, 283 (Iowa 2000) (en banc) (looking to Iowa statutes and the Iowa constitution when determining a public policy exception to an at-will employment termination).

27. *Jasper v. H. Nizam, Inc.*, 764 N.W.2d 751, 761 (Iowa 2009).

28. See SAUTTER, *supra* note 22, § 3-1[b].

29. *Fitzgerald*, 613 N.W.2d at 283.

30. SAUTTER, *supra* note 22, § 3-1 (stating that “courts insist on using only clear and well-recognized public policy to serve as the basis for the wrongful discharge tort.”).

31. *Teachout v. Forest City Cmty. Sch. Dist.*, 584 N.W.2d 296, 301 (Iowa 1998).

32. *Springer v. Weeks & Leo Co.*, 429 N.W.2d 558, 559 (Iowa 1988) (en banc).

33. *Fitzgerald*, 613 N.W.2d at 286.

34. *Tullis v. Merrill*, 584 N.W.2d 236, 239 (Iowa 1998).

demanding wages,³⁵ reporting violations of protective orders,³⁶ and refusing to violate administrative regulations.³⁷

Other reasons employees cannot be terminated without contradicting public policy are those discriminatory practices prohibited in the Iowa Civil Rights Act.³⁸ These include termination on the basis of a protected class, or retaliatory termination in response to engaging in a protected activity, such as reporting discrimination in the workplace.³⁹

Iowa courts have generally been hesitant to expand the public policy exemption, particularly where the legislation has not specified such a policy's existence; adhering instead to the bedrock of at-will employment.⁴⁰ The Iowa Supreme Court's "insistence on using only clear and well-recognized public policy to serve as the basis for the wrongful discharge tort emphasizes [its] continuing general adherence to the at-will employment doctrine and the need to carefully balance the competing interests of the employee, employer, and society."⁴¹ Employees can still be terminated for such things as absenteeism, truancy, performance issues, behavior concerns, or criminal activity.⁴²

To illustrate the difference between pure at-will employment (that is, not considering statutory alterations to the doctrine) and the public policy brand of at-will employment, consider an employee—let's call her Cindy—who has just received notice of her termination. In pure at-will employment there is no need to ask any further questions; it simply does not matter why she has been terminated because either her or her employer could terminate her employment for any reason whatsoever. The employer need not provide Cindy a reason at all.

Under modern Iowa employment law, Cindy's employer still need not provide her a reason for her termination, but it *does* matter what the reason is. If she was routinely late to work, that is a perfectly acceptable reason to terminate her employment; but if it is because of her race, religion, gender, or other reason

35. *Id.*

36. *Rayburn v. Wady Indus.*, No. C07-1008, 2008 WL 1325914, at *7 (N.D. Iowa Apr. 10, 2008).

37. *Jasper v. H. Nizam, Inc.*, 764 N.W.2d 751, 768 (Iowa 2009).

38. *See, e.g.*, IOWA CODE § 216.6 (2025).

39. *Id.* §§ 216.6, 216.11.

40. *See Fitzgerald v. Salsbury Chem., Inc.*, 613 N.W.2d 275, 283 (Iowa 2000) (en banc).

41. *Id.*

42. *See, e.g.*, *Fogel v. Trs. of Iowa Coll.*, 446 N.W.2d 451, 452–53, 455 (Iowa 1989) (noting the employee's poor hygiene, careless driving resulting in a parked car collision, and conduct of urinating in a mop bucket while on duty).

contrary to public policy, then Cindy would have a cause of action against her employer.⁴³

C. Implied Contract Exemption

Most states, including Iowa and several not recognizing the public policy exception, recognize an implied contract exemption to the at-will employment doctrine.⁴⁴ This exemption occurs “when a contract, employee handbook or other employer behavior implies that an employee will only be terminated for ‘just cause[.]’”⁴⁵ In the case of Cindy, if the employee handbook sufficiently defined the termination criteria, a court may find she had an implied contract and she would have a cause of action for wrongful termination for breach of those policies.⁴⁶

While this exemption provides some additional protections for employees as opposed to public policy or strict at-will, it is generally very difficult for employees to recover under this theory.⁴⁷ In Iowa, the language forming the basis of the implied contract must be sufficiently detailed or definite.⁴⁸ Disclaimers can be drafted “sufficient to defeat a claim that the manual creates a unilateral contract modifying an employee’s at-will status.”⁴⁹ Finally, an employee acknowledging that their at-will status supersedes any implied contract nullifies a claim to the contrary.⁵⁰ All Cindy’s employer would have to do is include a line in the handbook stating Cindy was an at-will employee and nothing in the handbook should be construed as forming a contract to defeat such a claim.⁵¹

One key thing to note about employment law in Iowa, even with these two exceptions, is that an employer is not required to provide a reason for terminating an employee.⁵² While this is logical and compatible with the common law doctrine

43. See IOWA CODE § 216.6 (2025); *Fitzgerald*, 613 N.W.2d at 283.

44. *Which States Are At-Will Employment States?*, PAYCOR (Sep. 21, 2023), <https://www.paycor.com/resource-center/articles/employment-at-will-laws-by-state/> [<https://perma.cc/RD84-T6DB>].

45. *Id.*

46. See *Fogel*, 446 N.W.2d at 455 (recognizing an exception “where a contract created by an employer’s handbook . . . guarantees an employee that discharge will occur only for cause”).

47. See *At-Will Employment – Overview*, *supra* note 1 (“[C]ourts disregard language promising long-term, lifetime, or permanent employment as aspirational and consider the relationship to be at-will.”).

48. SAUTTER, *supra* note 22, § 3-1[c].

49. *Id.*

50. See *Berg v. Norand Corp.*, 169 F.3d 1140, 1146 (8th Cir. 1999).

51. See *id.*

52. See David S. Walker, Co-Chair, Iowa-Neb. NAACP & Des Moines Branch NAACP Legal Redress Comm., Statement of David S. Walker to the Iowa Advisory Committee to the

of at-will employment, in practicality, it creates quite an interesting dichotomy—an employee can be terminated for any reason whatsoever, unless it is a reason against public policy, but the employee does not have a right to know the reason for their termination.⁵³ There is simply no way for an employee to know definitively if they have a cause of action against their employer if they do not know the reason for their termination.⁵⁴

III. ALTERNATIVE EXCEPTIONS TO THE AT-WILL EMPLOYMENT DOCTRINE

Most states have some form of exception to their at-will employment doctrine.⁵⁵ Only Florida, Georgia, Louisiana, and Rhode Island have not adopted exceptions.⁵⁶ Iowa is amongst the majority of states in recognizing public policy concerns as an exemption to at-will employment.⁵⁷ The other common exception that is either adopted by itself or in conjunction with public policy or implied contract is the covenant of good faith exception.⁵⁸ Finally, at-will employment only applies for the first six months of employment in Montana.⁵⁹ A breakdown of the exemptions that apply in each state is shown below.

U.S. Commission on Civil Rights (May 13, 2022) [hereinafter Statement of David S. Walker] (on file with the Drake Law Review).

53. *See id.*

54. *See id.*

55. *Which States Are At-Will Employment States?*, *supra* note 44.

56. *Id.*

57. *Id.*

58. *Id.*

59. *Id.*

not be statutorily or constitutionally defined.⁶⁴ “Judicial interpretations of this covenant have varied from requiring just cause for termination to prohibiting terminations made in bad faith or motivated by malice.”⁶⁵ It could be as simple as terminating an employee “immediately before they were due to receive a large commission[.]”⁶⁶ Employers may even be required to show “just cause” if terminating an employee “after a long time where they had been given positive performance reviews and led to believe that their job was secure[.]”⁶⁷

For instance, let us now say Cindy was fired six months before her pension vested after working for the company for over thirty years. Her employer is still not required to provide her with a reason, but it may constitute a *prima facie* case of wrongful discharge based on the appearance of bad faith.⁶⁸ This would then shift the burden to her employer to raise “good faith” as a defense.⁶⁹ While Cindy may be lucky enough to recover damages in one of the states recognizing a covenant of good faith, she would be sorely out of luck in an Iowa court. Recognizing a cause of action based on the covenant of good faith and fair dealing exception for at-will employment has been routinely rejected by Iowa courts.⁷⁰

B. Montana Model for Non-At-Will Employment

Perhaps the only true outlier to the at-will employment default is the state of Montana.⁷¹ The presumption of at-will employment only applies in Montana for the first six months of employment, otherwise known as the probational period.⁷² An employee may bring an action of wrongful discharge if “it was in retaliation for the employee’s refusal to violate public policy or for reporting a violation of public policy,” was not for good cause after the probational period is over, or “the

64. See *At-Will Employment – Overview*, *supra* note 1.

65. *Id.*

66. *Which States Are At-Will Employment States?*, *supra* note 44.

67. *Id.*

68. See *Hurst v. IHC Health Servs., Inc.*, 817 F. Supp. 2d 1202, 1208 (D. Idaho 2011) (“[W]here an employer terminates an at-will employee weeks before the employee’s retirement vests in order to avoid paying the employee’s retirement benefits; although the employment contract permits termination without cause, termination to avoid paying benefits due the employee would amount to a breach.”).

69. See *Murphy v. Am. Home Prods. Corp.*, 448 N.E.2d 86, 97 (N.Y. 1983) (Meyer, J., dissenting in part) (“[T]hough the burden of going forward, once plaintiff establishes a *prima facie* case, will shift to defendant, it will remain the plaintiff’s burden to convince the jury . . . , not the employer’s burden to convince them that he had other good cause to fire the employee[.]” (internal citations omitted)).

70. SAUTTER, *supra* note 22, § 3-1[b].

71. See *Which States Are At-Will Employment States?*, *supra* note 44.

72. *Id.*

employer materially violated an express provision of its own written personnel policy prior to the discharge, and the violation deprived the employee of a fair and reasonable opportunity to remain in a position of employment with the employer[.]”⁷³

It is interesting to note that people often think of at-will employment as a unique employment model, when in reality it is the presumptive model in 49 out of the 50 states.⁷⁴ Even with all of the exceptions that have been carved out of the at-will employment doctrine—according to Betterteam, a platform assisting employers in hiring efforts—74 percent of all employees in the United States are classified as at-will employees.⁷⁵

C. Termination Letters

Iowa first recognized an exception to common law at-will employment in 1988.⁷⁶ Since then it has undergone many revisions and clarifications.⁷⁷ Other states have undergone similar fine-tuning in their employment law doctrines.⁷⁸ In direct response to these modifications, many states have started requiring various forms to be supplied to out-going employees.⁷⁹ This is particularly prevalent in the unemployment realm—many states, including Iowa, require employers to provide information to assist employees in filing for unemployment benefits.⁸⁰ Iowa requires form 60-0154 to be completed any time “a worker leaves or refuses . . . employment for any reason that [the employer] believe[s] disqualifies the individual from receiving unemployment insurance benefits[.]”⁸¹

73. MONT. CODE ANN. § 39-2-904(1)(a)–(c) (2025).

74. *At-Will Employment – Overview*, *supra* note 1.

75. Coann Labitoria, *At-Will Employment: Everything You Need to Know*, HUM. RES. DIR. (Dec. 6, 2021), <https://www.hcamag.com/us/specialization/employment-law/at-will-employment-everything-you-need-to-know/318985> [<https://perma.cc/TS3F-JKVG>].

76. *Springer v. Weeks & Leo Co.*, 429 N.W.2d 558, 560 (Iowa 1988) (en banc) (establishing a cause of action “for tortious interference with the contract of hire when the discharge serves to frustrate a well-recognized and defined public policy”).

77. See Tom Werner, *The Common Law Employment-at-Will Doctrine: Current Exceptions for Iowa Employees*, 43 DRAKE L. REV. 291, 292 (1994).

78. See *id.* at 292–93.

79. See Rottger, *supra* note 61.

80. *Id.*

81. *Notice of Separation Form, 60-0154*, IOWA WORKFORCE DEV., <https://eformrs.com/Forms09/States09/IA/IA600154.pdf> [<https://perma.cc/7N38-U5JF>].

Figure 2. Form 60-0154⁸²

NOTICE OF SEPARATION OR REFUSAL OF WORK UNDER CONDITIONS THAT MAY DISQUALIFY 60-0154 (09-2016) *Instructions On Reverse*

WORKER'S NAME		SOCIAL SECURITY NUMBER		(Date) Separation or refusal to work Month Day Year	
EMPLOYMENT WAS TERMINATED FOR THE REASON CHECKED The Protest Box and Complete Separation or Refusal of Work Date MUST BE INDICATED on all responses.		☐ Voluntary Quit	☐ Discharged for Misconduct in Connection With Work	☐ Refused Suitable Work or Recall To Work	☐ Left to take other employment
IOWA ACCOUNT NUMBER	If Applicable, Location Code	INTERVIEW INFORMATION If a fact-finding interview is necessary, you will be scheduled for an interview by telephone unless it is impractical to do so. NAME OF PERSON who will participate in a fact-finding interview for this employer. PRINT LEGIBLY Name _____ Title _____ Telephone number for fact-finding interview _____ (Area Code) _____ Phone Number _____ SUPPORTING DOCUMENTS may be submitted with this form for consideration at the telephone fact-finding. The separation information you provide must be Certified Correct By Signing and Completing the Signature Box. CERTIFIED CORRECT BY (Signature Required) _____ TITLE _____ Date _____			
EMPLOYER					
EMPLOYER ADDRESS (Street, City, State and Zip Code)					
FOR DEPARTMENT USE ONLY: O.C. _____ L.O.# _____					

Form 60-0154 goes directly to Iowa Workforce Development, and while it provides a general idea of why an employee ceased employment with an employer, it would be of no use to an employee in determining the cause of their termination, especially since they do not receive a copy.⁸³

Some states recognize the need for an employee to understand why they were let go from a place of work and have passed service letter laws.⁸⁴ These laws “require employers to provide an employee with a written statement of the reason for termination.”⁸⁵ Employees could then use the letters in any cause of action following termination.⁸⁶ While the eight states with these kind of laws have various particulars about when and for how long they apply, no state automatically sends the letters to the former employees.⁸⁷ All states require an individual to submit a

82. *Notice of Separation or Refusal of Work Under Conditions That May Disqualify, Form 60-0154*, IOWA WORKFORCE DEV., https://data.templatereporter.com/pdf_docs/2077/20771/2077105/main_form-60-0154-notice-of-separation-or-refusal-of-work-under-conditions-that-may-disqualify-iowa.pdf?45fe4dcab113014c9bacfb92048b16a9 [https://perma.cc/QE9X-S42H].

83. *See id.*

84. *See* 6 EMP. COORD. EMPLOYMENT PRACTICES § 65:71 (2025).

85. *Id.*

86. *See id.*

87. *See id.* §§ 65:72–65:77, 65:80; OKLA. STAT. tit. 40, § 171 (2025).

request for a service letter.⁸⁸ Iowa currently does not have service letter laws, but the legislature should seriously consider joining the ranks of the states that do for the reasons articulated below.⁸⁹

In 2022, Colorado passed Senate Bill 234 to increase the transparency required of employers for separated employees seeking unemployment benefits.⁹⁰ This Bill requires employers to provide the individual general information about the employment, but most consequentially, also requires the employer to provide a reason for separation.⁹¹ The law's primary purpose is to ensure an employee knows of their rights to pursue unemployment benefits, similar to many other states' service letter laws.⁹² But the statute could serve to provide individuals with unintended consequences when it comes to causes of action for wrongful or discriminatory termination as well.⁹³ The Colorado Department of Labor and Employment released a template form for employers to use to adhere to the new law.⁹⁴ The section requiring an employer to fill out the reason for separation appears at the bottom of the form.⁹⁵

Figure 3. Colorado Notice of Potential Availability of Unemployment Insurance Benefits Form

88. 6 EMP. COORD. EMPLOYMENT PRACTICES §§ 65:72–65:77, 65:80 (2025); OKLA. STAT. tit. 40, § 171 (2025).

89. Kevin O'Flaherty, *Terminating an Employee in Iowa*, O'FLAHERTY L. (Apr. 27, 2021), <https://www.oflaherty-law.com/learn-about-law/terminating-an-employee-in-iowa> [https://perma.cc/J8R3-QY4A].

90. See S.B. 22-234, 73d Gen. Assemb., Reg. Sess. (Colo. 2022).

91. See *id.*

92. See Walker, *New Law Requires Notice*, *supra* note 8.

93. *Id.*

94. *Notice of Potential Availability of Unemployment Insurance Benefits*, COLO. DEP'T OF LAB. & EMP., <https://cdle.colorado.gov/sites/cdle/files/documents/Employer-Separation-Form-22-234-fillable.pdf> [https://perma.cc/L9EE-J4LG].

95. See *id.*

Reason the employee separated from employment (Please select only one option and limit free-form responses to one sentence. If an unemployment claim is filed, the Division will reach out to both parties for additional information about the separation):	
☐ Quit	Employee's reason for quit: _____
☐ Layoff	_____
☐ Discharge	Reason for discharge: _____
☐ Other:	_____

IV. BENEFITS OF REQUIRING TERMINATION LETTERS TO EMPLOYEES

While all states recognize some form of at-will employment, the doctrine has undergone such significant changes that it looks almost unrecognizable in its current form. “The most significant development in the last thirty years of employment law has been the continued erosion of the common law doctrine of employment-at-will.”⁹⁶

All states recognize at least one, if not multiple, exemptions to the at-will doctrine and Iowa is no exception.⁹⁷ As clean as it is to say Iowa is an at-will state and therefore an employee can be fired for any reason, that is simply no longer the case. As it stands, Iowans, without an explicit or implied contract, may be terminated for any reason, as long as that reason is not against public policy.⁹⁸ While Iowa has not gone so far as to require the termination be for “good cause,” it is clear there still must be some reason for the termination.⁹⁹ Requiring an employee to be provided that reason (no matter how “good” the reason is) would alleviate the burden of wrongful and discriminatory termination causes of action put on the employee, employer, and the state.¹⁰⁰

96. Werner, *supra* note 77, at 292.

97. See Muñoz, *supra* note 62.

98. Werner, *supra* note 77, at 314.

99. See *id.* at 292, 297.

100. See E-mail from Sierra Walker, Att’y 1, Iowa C.R. Comm’n, to author (Jan. 24, 2023, at 15:59 CT) [hereinafter E-mail from Sierra Walker] (on file with the Drake Law Review) (“Requiring employers to give a reason for an employee’s termination has benefits for both parties.”).

A. Reason is Necessary to Prove Wrongful or Discriminatory Termination

Reason for termination is an essential element in proving wrongful discharge under the public policy exception.¹⁰¹ The Iowa Supreme Court describes the analysis in *Dorshkind v. Oak Park Place of Dubuque II, L.L.C.*:

An employee seeking protection under the public-policy exception in his or her wrongful-discharge claim must prove the following elements:

(1) the existence of a clearly defined and well-recognized public policy that protects the employee's activity; (2) this public policy would be undermined by the employee's discharge from employment; (3) the employee engaged in the protected activity, and *this conduct was the reason the employer discharged the employee*; and (4) the employer had no overriding business justification for the discharge.¹⁰²

The crucial nature of the reason for termination is reflected in the third element of this evaluation.¹⁰³ Having an employer state a reason for termination against public policy would make this analysis straightforward.¹⁰⁴ Conversely, the reason provided could be used by the employer to show an overriding business justification.¹⁰⁵

Going back to our hypothetical employee Cindy, let's say she was terminated for filing a workers' compensation claim, a clear-cut example of something against public policy in Iowa.¹⁰⁶ If she is not provided a reason by her employer, all she would have to base a wrongful discharge claim on would be a suspicion. Now, let's say the employer was required to provide her with a reason. If they came right out and said it was due to the filing of her claim, any employment lawyer in Iowa would happily take her on as a client. And conversely, if she only suspects it is

101. See *Dorshkind v. Oak Park Place of Dubuque II, L.L.C.*, 835 N.W.2d 293, 300 (Iowa 2013).

102. *Id.* (emphasis added) (quoting *Berry v. Liberty Holdings, Inc.*, 803 N.W.2d 106, 109–10 (Iowa 2011)).

103. See *id.*

104. See *Fogel v. Trs. of Iowa Coll.*, 446 N.W.2d 451, 453 (Iowa 1989) (noting the district court's conclusion "that a fact question remained concerning whether the college's proffered reason for termination was authentic or pretextual" in light of the employer giving the terminated employee a letter stating the reasons for being terminated); Walker, *New Law Requires Notice*, *supra* note 8 (discussing how the practice of issuing a termination letter can backfire on employers).

105. See *Jasper v. H. Nizam, Inc.*, 764 N.W.2d 751, 768 (Iowa 2009) (noting "the tort of wrongful discharge is not intended to interfere with legitimate business decisions" and violating "an administrative rule is not a legitimate business concern").

106. See *Springer v. Weeks & Leo Co.*, 429 N.W.2d 558, 559 (Iowa 1988) (en banc).

because she filed her claim, but her employer provided an overriding business reason in her termination letter, that same employment lawyer would now have an additional piece of data to decide if they should take Cindy's case.¹⁰⁷

Furthermore, the reason is central in any wrongful discharge cause of action due to discrimination.¹⁰⁸ For instance, even when an employee has direct evidence of discrimination, they still have to show it was a "motivating factor" in the employer's decision to terminate their employment.¹⁰⁹ Rarely is discrimination that blatant, and then the reason becomes even more imperative because an employee only has circumstantial evidence to rely upon.¹¹⁰ The Supreme Court of the United States laid out the controlling test for this type of situation in *McDonnell Douglas Corp. v. Green* and Iowa courts apply the same methodology.¹¹¹

Complainants have a prima facie case of disparate treatment when they can prove: (1) they are a member of a protected class; (2) they were qualified for the employment at issue; (3) respondent took an adverse employment action against them; and (4) there are circumstances that create a reasonable inference of a connection between the adverse action and the protected class.¹¹² When the adverse employment action in question is termination, it's clear the reason for said termination is essential to the fourth element of establishing a prima facie case of discrimination.¹¹³

107. See Walker, *New Law Requires Notice*, *supra* note 8 ("[T]he termination letter can be used to show that the employer lied or had a pretext for termination.").

108. See *McDonnell Douglas Corp. v. Green*, 411 U.S. 792, 802 (1973) (finding that in discrimination cases, the employer has the burden to articulate a "legitimate, nondiscriminatory reason for the employee's rejection" if the complainant is able to establish a prima facie case of racial discrimination).

109. See, e.g., *Davies v. Philip Morris, USA*, 863 F. Supp. 1430, 1437 (D. Colo. 1994).

110. See *McDonnell Douglas*, 411 U.S. at 804–05 (discussing the types of circumstantial evidence that could be relevant in such cases).

111. *Id.* at 802; see *Woodbury Cnty. v. Iowa C.R. Comm'n*, 335 N.W.2d 161, 165 (Iowa 1983) (en banc).

112. See *Woodbury Cnty.*, 335 N.W.2d at 165.

113. See *id.* at 166 ("An employer is entitled to . . . fire an adequate employee if [their] reason is to hire one who will be even better, as long as this is not a pretext for discrimination." (quoting *Loeb v. Textron, Inc.*, 600 F.2d 1003, 1012 n.6 (1st Cir. 1979), *overruled in part by Trans World Airlines, Inc. v. Thurston*, 469 U.S. 111 (1985))).

B. Reason is Central to Rebutting Non-Discriminatory Purpose and Proving Pretext

Once an employee has proved a prima facie case of disparate treatment, the burden shifts to the employer to rebut the inference of discrimination.¹¹⁴ This centers solely on the employer being able to provide a legitimate, non-discriminatory purpose for the adverse employment action.¹¹⁵ One important thing to note is that in Iowa, the Iowa Civil Rights Commission (ICRC) handles claims of discrimination in termination.¹¹⁶ An employee who believes they were fired due to discrimination would file a complaint with the ICRC, and the agency would then reach out to the employer to provide a response.¹¹⁷ This response, presumably including the professed non-discriminatory reason for termination, would go directly back to the ICRC, not the employee asserting wrongful discharge.¹¹⁸ The Iowa-Nebraska NAACP has taken issue with this practice.¹¹⁹ David Walker, the co-chair of the Des Moines Branch Legal Redress Committee, has stated, “We have cases we know in which the respondent has made factual errors in its response not timely brought to the complainant’s attention until the administrative closure letter is received . . . where a solid case for pretextual invocation of employment rules and disparate treatment could be shown.”¹²⁰ If the employee was not provided a reason for their termination originally, they would still not know the reason at this point in the process.¹²¹

Further, once an employer has provided a legitimate, non-discriminatory purpose for discharge, the burden shifts back to the employee to provide proof that the professed purpose was, in fact, pretextual and the real reason was discrimination.¹²² Sierra Walker, a former Iowa Civil Rights Commission screener who regularly dealt with these types of cases, stated, “employment discrimination law relies heavily on circumstantial evidence showing that the employer was motivated by discrimination. Notably, employees can show that the employer has substantially changed its given reason for the termination, or they can prove that the given reason is false.”¹²³

114. *McDonnell Douglas*, 411 U.S. at 802.

115. *Id.*

116. *See* IOWA CODE § 216.5 (2025).

117. *Outline of Complaint Process*, IOWA OFF. OF C.R. (Sep. 16, 2024), <https://icrc.iowa.gov/file-complaint/outline-complaint-process> [<https://perma.cc/J67B-J8QA>].

118. Statement of David S. Walker, *supra* note 52.

119. *Id.*

120. *Id.*

121. *See id.*

122. *McDonnell Douglas Corp. v. Green*, 411 U.S. 792, 803–04 (1973).

123. E-mail from Sierra Walker, *supra* note 100.

This methodology creates a dilemma for terminated employees; they often need to know the reason for their termination in order to prove pretext, but an employer need not provide that information to them.¹²⁴ If an employee was not provided a reason for their termination in the first place, it would be nearly impossible to use several of these methods to prove discrimination—especially considering the employee is not provided a copy of the employer’s response to the ICRC and may still not even know what the professed non-discriminatory purpose for termination was.¹²⁵ David Walker elaborates on this dilemma:

[T]he Iowa-Nebraska NAACP has heard from attorneys representing complainants that in fact complainants don’t always know the reason they were terminated, and certainly they don’t know what the respondent will state, without verification or subject to any cross-examination, what the respondent will submit in writing or state orally to the Commission staff member screening the case.¹²⁶

Jim Duff, of West Des Moines-based Duff Law Firm P.L.C., is one such attorney, writing, “This creates the untenable scenario where a complainant is required to rebut or refute a non-discriminatory reason of which they have no knowledge.”¹²⁷

Requiring employers to provide a reason to their employees at the time of termination would provide a documented starting point in any *McDonnell Douglas* burden-shifting analysis.¹²⁸ Employers could certainly still fabricate the reason for termination on the form. But that would be something the employee would know straight away instead of during potential discovery or after an ICRC investigation has commenced.¹²⁹ It would also allow an employee to start collecting evidence of pretext as soon as they are terminated and allow them to raise the issue within their initial complaint. “Having a clear reason from the employer at the outset could make it easier for meritorious claims of discrimination to proceed[.]”¹³⁰

In Cindy’s hypothetical case, if she believes she was terminated for being a woman, but was not provided a reason at the time of her termination, she will have nothing but a suspicion to go on in her initial complaint. Her employer would then get a request from the ICRC stating she believes she was terminated due to

124. See Statement of David S. Walker, *supra* note 52.

125. See *id.*

126. *Id.*

127. Letter from Jim Duff, Att’y, Duff L. Firm, P.L.C., to Members of the Iowa Advisory Comm. U.S. Comm’n on C.R. (June 3, 2022) (on file with the Drake Law Review).

128. See *McDonnell Douglas Corp. v. Green*, 411 U.S. 792, 802–04 (1973) (describing the burden-shifting analysis).

129. See Statement of David S. Walker, *supra* note 52.

130. E-mail from Sierra Walker, *supra* note 100.

discrimination based on her gender, and her employer would provide some other non-discriminatory reason, such as tardiness. Because Cindy does not receive a copy of the employer's response, she must proffer evidence that this reason, that she still is unaware of, was pretextual in her initial complaint. This would be a Herculean feat for Cindy who is clueless about her termination, and likely under a significant amount of stress as she is newly unemployed.¹³¹

Requiring the employer to provide her a reason for separation up front would alleviate the burden this guessing game places on Cindy.¹³² If the employer came right out and said the reason for her termination was because she was a woman, the ICRC would have very little difficulty screening the case due to the direct evidence of discrimination.¹³³ However, if the employer provided a termination letter to Cindy stating it was due to her tardiness, she could include evidence in her initial complaint arguing that was pretextual.¹³⁴ She could offer evidence such as the fact that other employees who were not women were also as tardy as her and were not terminated, or she could collect paystubs showing she was always on time.¹³⁵ This information would provide detailed, helpful information to the ICRC going straight to effectively evaluating Cindy's claim.

C. Reason is Required for Collecting Unemployment Benefits

Currently, Iowa requires employers to provide some semblance of a reason for separation when they submit form 60-0154.¹³⁶ However, the form goes directly to Iowa Workforce Development, not the employee.¹³⁷ It is crucial this information be communicated to the employee.¹³⁸ Even if they are not going to file a lawsuit or lodge a discrimination complaint, it is within human nature to wonder what went wrong.¹³⁹ It also affords former employees the opportunity to learn from their mistakes and grow as individuals. It certainly seems the most straightforward way to provide an employee this information is to modify the existing unemployment form to include a line for "Reason" so that it looks something like this:

131. See Statement of David S. Walker, *supra* note 52.

132. See E-mail from Sierra Walker, *supra* note 100.

133. See *id.*

134. See *id.*

135. See *Woodbury Cnty. v. Iowa C.R. Comm'n*, 335 N.W.2d 161, 165 (Iowa 1983) (en banc).

136. See *Notice of Separation Form, 60-0154*, *supra* note 81.

137. See *id.*

138. See *Should a Company Provide a Terminated Employee with a Reason for the Termination?*, *supra* note 10.

139. See *id.*

Figure 4. Proposed Amendment to Form 60-0154¹⁴⁰

EMPLOYMENT WAS TERMINATED FOR THE REASON CHECKED The Protest Box and Complete Separation or Refusal of Work Date MUST BE INDICATED on all responses. Reason:	☐ Voluntary Quit	☐ Discharged for Misconduct in Connection With Work	☐ Refused Suitable Work or Recall To Work	☐ Left to take other employment
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At a minimum, Iowa should follow the lead of the service letter states and allow terminated employees to obtain a copy of this form with a specified (and hopefully accurate and detailed) reason for their termination.¹⁴¹ Ideally, they should be provided with their own copy as soon as their employment is terminated.¹⁴² States with service letter laws only allow a certain amount of time for an employee to request a copy and if that time has passed or if the employee is not aware they have a right to obtain a copy, the law is useless to a confused and distraught, recently-fired employee.¹⁴³

Iowa may still be an agricultural state, but it has long outgrown the agrarian common law that sprouted the at-will employment doctrine.¹⁴⁴ The doctrine has undergone significant changes as the courts recognized the changing power dynamics within the modern employment realm.¹⁴⁵ Employees deserve to know why they were let go.

V. BENEFITS OF REQUIRING TERMINATION LETTERS FOR EMPLOYERS

At-will employment was always intended to protect employers as well as employees. In the same way, providing employees with the reason for their termination also benefits employers.¹⁴⁶

The new requirement of Senate Bill 234 has caused some concern amongst Colorado employers.¹⁴⁷ Some may not want to provide employees with the reason

140. See *Notice of Separation Form, 60-0154*, *supra* note 81.

141. See Rottger, *supra* note 61.

142. See, e.g., *Notice of Potential Availability of Unemployment Insurance Benefits*, *supra* note 94.

143. See 6 EMP. COORD. EMPLOYMENT PRACTICES §§ 65:72–65:77, 65:80 (2025); OKLA. STAT. tit. 40, § 171 (2025).

144. See Werner, *supra* note 77, at 292–93, 296.

145. See *id.* at 293.

146. See E-mail from Sierra Walker, *supra* note 100.

147. See Walker, *New Law Requires Notice*, *supra* note 8.

for their termination because they are concerned it will increase litigation.¹⁴⁸ On the contrary, this requirement should see a decrease in non-meritorious claims.¹⁴⁹

A. Decreases Litigation

“Having a clear reason from the employer at the outset . . . could also help employers avoid inadvertently opening themselves up to liability by providing inconsistent or incorrect information.”¹⁵⁰ When an employee is not provided a reason for termination it is perfectly natural for them to assume that there was something suspicious about the situation, prompting the employee to seek legal remedies.¹⁵¹ Employers can cut these potentially baseless complaints off at the outset by providing an employee a clear and concise rationale.¹⁵² “Sometimes employees who are confused about why they are terminated conclude the reason was discrimination, and thus file a complaint with the ICRC or the EEOC. A clear reason given at termination could eliminate some number of these complaints.”¹⁵³ Even though employers can terminate an at-will employee for no reason, “[m]ost people expect there to be some kind of justification for putting an individual out of his or her job[.]”¹⁵⁴ Not providing a reason justifiably raises suspicion.¹⁵⁵

Further, explaining the discharge with a legitimate reason forces the former employee to first show the reason is false.¹⁵⁶ Only after overcoming the proffered reason for the termination can the former employee go on to prove the termination was wrongful.¹⁵⁷ Wolters Kluwer goes one step further in recommending employers provide rationale for terminations: “The best way to ‘win’ a lawsuit is to avoid it in the first place. . . . [Y]ou can go a long way toward diffusing the anger of a discharged employee – an employee who might otherwise vent his or her wrath

148. *See id.*

149. *See* Shouse, *supra* note 7.

150. E-mail from Sierra Walker, *supra* note 100.

151. *See id.*

152. *See id.*

153. *Id.*

154. Mark Feffer, ‘Employment at Will’ Isn’t a Blank Check to Terminate Employees You Don’t Like, SHRM (Nov. 7, 2017), <https://www.shrm.org/topics-tools/news/employee-relations/employment-will-isnt-blank-check-to-terminate-employees-dont-like> [https://perma.cc/48CG-JZTN].

155. *See* Shouse, *supra* note 7.

156. *Id.*

157. *Id.*

in a courtroom.”¹⁵⁸ Overall, providing a reason for terminating an employee could decrease litigation of wrongful discharges.¹⁵⁹

If hypothetical Cindy is terminated with no reason provided whatsoever, she may justifiably be confused about why she was let go. She may assume it’s due to one of her protected bases and seek an employment lawyer. However, if her employer provides a letter at the time of her termination stating it was due to tardiness, she will have to explain to the lawyer why that is not the case. If she cannot overcome the hurdle, she will not be able to make a claim.¹⁶⁰ She may not even seek to bring suit at all if she recognizes the reason provided is accurate. She may seek to be a better, more punctual employee in the future.

B. Considered Best Practice Within the Human Resources Community

Even though at-will employment states do not require a reason to be provided to an employee, it is a general consensus within the human resources field that an employer should provide one.¹⁶¹ According to the Society for Human Resources Management, a leading professional human resources membership association, “Providing the reason at the time of termination can head off accusations that the termination was for an improper reason, can bolster the employer’s position at later administrative hearings (such as for unemployment claims) and can cause the employer to be thoughtful about the reason for termination.”¹⁶²

Many employers voluntarily tell employees why they were terminated, some for no other reason than to maintain their reputation.¹⁶³ Companies that refuse to tell workers why they were terminated from their job tend to be seen as poor places to work.¹⁶⁴ That can affect future hiring efforts, workforce morale, retention, and how other employees view company leadership.¹⁶⁵ Choosing to be transparent in

158. Mark Williams, *Employee Termination Procedures & Policies*, WOLTERS KLUWER (Feb. 19, 2021), <https://www.wolterskluwer.com/en/expert-insights/employee-termination-procedures-policies> [https://perma.cc/XT23-YLVQ].

159. Shouse, *supra* note 7.

160. *See id.*

161. *See, e.g., Should a Company Provide a Terminated Employee with a Reason for the Termination?*, *supra* note 10; Bridget Miller, *Should You Provide a Reason for Termination?*, HR DAILY ADVISOR (Sep. 11, 2018), <https://hrdailyadvisor.com/2018/09/11/should-you-provide-a-reason-for-termination/> [https://perma.cc/GJT9-ZS3X].

162. *Should a Company Provide a Terminated Employee with a Reason for the Termination?*, *supra* note 10.

163. Shouse, *supra* note 7.

164. *Does an Employer Have to Tell You Why You Were Fired?*, LAW OFFS. OF PARAG L. AMIN, P.C. (Feb. 11, 2023), <https://www.lawpla.com/blog/does-an-employer-have-to-tell-you-why-you-were-fired/> [https://perma.cc/224L-DBYJ].

165. *Id.*; Feffer, *supra* note 154.

termination decisions is a simple step companies often choose to prevent this adverse impact to their reputation.¹⁶⁶ More than anything, “[p]roviding a reason for the termination that makes sense to the employee shows the employee that the employer has thoughtfully come to the decision to end the employment relationship.”¹⁶⁷

C. Creates a Mutual Starting Point for Conciliation Attempts

Finally, if nothing else, providing a terminated employee a reason for separation provides a mutual starting point for conciliation attempts.¹⁶⁸ It means that an employee will not misremember a verbal termination, or forget altogether. It means that an employer would be held accountable if they change their reason for termination later on in the investigation.¹⁶⁹ And it means that whatever attorney gets the complaint on their desk has a tangible starting point. It ensures that all parties are starting on the same page and hopefully provides a more mutual understanding moving forward.

VI. CONCLUSION

The Iowa legislature should take a page out of Colorado’s book and require employers to provide termination letters to employees. This relatively minor adjustment would allow the at-will employment doctrine within the state to remain completely intact, while adjusting for the inherent power differences between employer and employee within the doctrine. Providing a reason for termination would introduce common ground for conciliatory attempts the common law is currently lacking. This change would benefit both employer and employee as the doctrine always intended.

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166. See Shouse, *supra* note 7.

167. *Should a Company Provide a Terminated Employee with a Reason for the Termination?*, *supra* note 10.

168. See Shouse, *supra* note 7.

169. Walker, *New Law Requires Notice*, *supra* note 8.

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