

California's New Noncompete Notice Requirement

Labor & Employment Law Update

on February 8, 2024

California Assembly Bill 1076, passed last fall, added a new Business & Professions Code §16600.1. By February 14, 2024, California employers must notify in writing current and certain former employees that any noncompete agreement or clause to which they may be subject is void (unless it falls within one of the limited statutory exceptions). It also applies to customer non-solicitation requirements.

Notice must be provided to all current and former employees located in California if they were employed after January 1, 2022. Violations could be subject to a fine of up to \$2,500.

The notice must inform employees that the provisions are void in California. Notice must be written and delivered to the employee's last known address and email address.

Employers with employees in California should review their contracts, including incentive compensation contracts and other agreements that may contain restrictive covenants, and prepare a list of current or former employees to notify.