

Illinois Legislature Considering Freedom To Work Act Amendments That Target Non-Compete And Non-Solicitation Clauses

Labor & Employment Law Update

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In recent years, many states have enacted legislation directed at employment contracts containing non-compete and non-solicitation clauses. Illinois first did so in 2016 with the Freedom to Work Act (the Act), which bans certain Illinois employers from entering into non-compete agreements with low-wage employees.

Now, the Illinois General Assembly has taken the matter up again with additional proposed amendments to the Act.

Although the new legislation has not been finalized, some provisions that appear likely to be included in the final version are: income thresholds for employees who are not “low wage,” a requirement that the employer provide the employee with a copy of the contract in advance of signing it, employee-friendly attorney’s fee-shifting provisions, and exemptions for union workers. While the legislation primarily is geared toward protecting employees, it also helps employers by clarifying the state of the law on several issues, including clearer standards for the enforceability of non-compete clauses.

The amendments are projected to take effect on June 1, 2021, and will not apply to contracts entered into before that date. Employers should contact their employment counsel to make sure any agreements entered into on or after the effective date comport with the new law. Amundsen Davis attorneys are working closely with employer-side groups on the legislation and will update readers of this blog as further developments arise.