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Illinois Law Places New Limits Restrictive Covenants

Article By:

Christopher Razo

On January 1, 2022, Public Act 102-0358, an amendment to the Illinois Freedom to Work Act will take effect and impact all non-compete agreements entered into prospectively. The law will ban employers from using non-compete agreements with employees earning less than \$75,000 and from using non-solicitation agreements with employees earning less than \$45,000. The law will not affect non-disclosure agreements entered with employees, regardless of income level.

The law also requires an employer to provide a 14-day period to consider a non-compete or nonsolicitation agreement and to advise the employee to consult with an attorney before entering into such an agreement.

Illinois' new law continues a recent trend limiting the scope of restrictive covenants, including, for example, at the <u>federal level</u> and in the <u>District of Columbia</u>.

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