

The Non-Compete Bill

S.2418 An Act Relative to the Judicial Enforcement of Non-Competitive Agreements

Summary

- 1 Non-Compete agreements put restrictions on the kind of job an employee may take after leaving an organization.
- 2 18% of American workers are covered by non-competes. Overuse of non-competes can hamper the economy by keeping wages down and hindering worker mobility.
- 3 This bill would limit non-competes to three months, or other arrangement by mutual agreement.



The front runners that led efforts in the Senate



Senator Daniel A. Wolf (D-Harwich)
@SenatorDanWolf

Chair, Joint Committee on Labor and Workforce Development



Senator William N. Brownsberger (D-Belmont)
@WBrownsberger

Chair, Joint Committee on the Judiciary



The legislation was passed on
July 14, 2016

STATUS



In Conference Committee

The legislation restricts employers from enforcing non-competition agreements against interns, undergraduate and graduate students, employees under 18, hourly workers, employees who are terminated without cause or laid off, independent contractors, and employees whose average weekly earnings are less than two times the average weekly wage in the Commonwealth.

RESPONSE



"This legislation provides fairness and balance to the workplace to allow employees to flourish in their profession and not be confined by overly aggressive non-compete agreements."

- Senate President Stan Rosenberg, Masslive

"It respects the legitimate business interests of employers while giving employees negotiating power and protecting them from undue financial harm. As a result, the legislation will boost labor mobility and spur economic growth across Massachusetts."

- Senator Eileen Donoghue



INFOGRAPHICS

The Non-Compete Bill

S.2148, "An Act relative to the judicial enforcement of noncompetition agreements."

The bill would restrict non-competition agreements to 3 months and require employers to pay 100% of the employee's annualized earnings during the restricted period, or other mutually-agreed upon consideration negotiated within 30 days following the employee's termination which is of equal or greater value than the garden leave clause.