

insights

TYPES NOT MAPPED YET August 12, 2024 | TTR not mapped yet | Susan M. Lorenc

Governor Pritzker Signs Amendments to Illinois' Non-Compete Law

It appears Illinois is not waiting to see what is ultimately going to happen with the FTC's non-compete ban and is taking matters into its own hands for certain industries. On Friday, August 9, Governor Pritzker signed two amendments to the Illinois Freedom to Work Act; the first amendment (SB 2737) renders any covenant not to compete or covenant not to solicit entered into after January 1, 2022, unenforceable with respect to professionals licensed in Illinois who provide mental health services to veterans and first responders. The amendment is effective immediately.

The second amendment (SB 2770) provides that, effective immediately, a covenant not to compete or not to solicit is void and illegal with respect to individuals employed in construction, regardless of whether an individual is covered by a bona fide collective bargaining agreement. We are awaiting the public acts to get further detail and will provide additional information.

In the meantime, we are also monitoring two house bills that would further amend the Illinois Freedom to Work Act: HB 4888, which provides that a non-compete or a non-solicit is not enforceable if it restricts an employee's ability to exercise his or her rights under federal law, and HB 5385, which would void all non-competes and non-solicits, regardless of the employee's annual compensation. Both of these bills have been referred to the Rules Committee.



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