

Maryland Joins Growing Trend to Ban Non-Compete Agreements

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Maryland has become the latest state to take on non-compete agreements, banning them for employees under a certain salary threshold.

The state's legislature recently passed a law declaring non-compete agreements void and unenforceable for employees earning equal to or less than \$15 per hour or \$31,200 annually. The new law takes effect October 1.

The law does not apply to agreements prohibiting an employee from taking client lists or proprietary client-related information. Employers with employees in Maryland need to review any non-compete agreements to ensure they comply with the new Maryland law.

Maryland joins Massachusetts, Illinois, Washington and Oregon that have recently passed laws severely restricting or banning non-compete agreements. In the last year, about 20 state legislatures have introduced bills to ban or severely restrict non-compete agreements. In November of 2017, Pennsylvania legislators introduced their own version of the law - the "Freedom to Work Act" - but it has stalled in committee. Employers who have employees working in multiple states need to be aware of this growing trend.

If you have questions about non-compete contracts in any state, please <u>contact me</u> or any member of <u>Barley Snyder's Employment Practice Group</u>.

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