



News & Types: Employment, Labor & Benefits Update

# Masuda Funai Employment Newsflash - Governor J.B. Pritzker Signed Amendments Affecting Non- Competition and Non-Solicitation Agreements

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Practices: Employment, Labor & Benefits

On August 13, 2021, Illinois Governor J.B. Pritzker signed amendments to the Illinois Freedom to Work Act (“IFWA”) requiring all Illinois employers to comply with significantly different requirements for non-compete and non-solicitation agreements entered on or after January 1, 2022. These amendments create annual earning thresholds for non-compete and non-solicitation agreements such that employees whose compensation falls below the respective thresholds cannot be required to enter into such agreements. These amendments also require employers to inform existing employees and applicants of the right to consult with an attorney prior to entering into the agreement and provide a 14-day waivable review period to consider the agreement. Employers who fail to comply with the amendments could be subject to investigations, enforcement actions, penalties, and even a prevailing employee’s reasonable attorney’s fees and costs.

Plan to attend Masuda Funai’s webinar on October 14, 2021, where we will discuss these changes in detail and how employers can plan in advance. [Click this link to register for the upcoming webinar.](#)