

HB2565



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB2565

by Rep. Anne Stava-Murray

SYNOPSIS AS INTRODUCED:

820 ILCS 90/5
820 ILCS 90/10

Amends the Illinois Freedom to Work Act. Expands the scope of the Act to apply to all employees (rather than only low-wage employees). Prohibits all covenants not to compete. Effective immediately.

LRB101 10625 JLS 55731 b

A BILL FOR

1 AN ACT concerning employment.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Freedom to Work Act is amended by
5 changing Sections 5 and 10 as follows:

6 (820 ILCS 90/5)

7 Sec. 5. Definitions. In this Act:

8 "Covenant not to compete" means an agreement:

9 (1) between an employer and an ~~a low wage~~ employee that
10 restricts the ~~such low wage~~ employee from performing:

11 (A) any work for another employer for a specified
12 period of time;

13 (B) any work in a specified geographical area; or

14 (C) work for another employer that is similar to
15 the ~~such low wage~~ employee's work for the employer
16 included as a party to the agreement; and

17 (2) that is entered into after the effective date of
18 this amendatory Act of the 101st General Assembly.

19 "Employer" has the meaning given to such term in subsection
20 (c) of Section 3 of the Minimum Wage Law. "Employer" does not
21 include governmental or quasi-governmental bodies.

22 "Employee" ~~"Low wage employee"~~ means any individual
23 permitted to work by an employer ~~an employee whose earnings de~~

1 ~~not exceed the greater of (1) the hourly rate equal to the~~
2 ~~minimum wage required by the applicable federal, State, or~~
3 ~~local minimum wage law or (2) \$13.00 per hour.~~

4 (Source: P.A. 99-860, eff. 1-1-17; 100-225, eff. 8-18-17.)

5 (820 ILCS 90/10)

6 Sec. 10. Prohibiting covenants not to compete for low-wage
7 employees.

8 (a) After the effective date of this amendatory Act of the
9 101st General Assembly, no ~~no~~ employer shall enter into a
10 covenant not to compete with any ~~low-wage~~ employee of the
11 employer.

12 (b) A covenant not to compete entered into between an
13 employer and an ~~a low-wage~~ employee is illegal and void.

14 (Source: P.A. 99-860, eff. 1-1-17.)

15 Section 99. Effective date. This Act takes effect upon
16 becoming law.