

# SB1838



## 102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB1838

Introduced 2/26/2021, by Sen. Mattie Hunter

### 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.

LRB102 11384 JLS 16717 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  
10 that 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 102nd General Assembly.

19 "Employer" has the meaning given to such term in  
20 subsection (c) of Section 3 of the Minimum Wage Law.

21 "Employer" does not include governmental or quasi-governmental  
22 bodies.

23 "Employee" ~~"Low wage employee"~~ means any individual

1 ~~permitted to work by an employer an employee whose earnings do~~  
2 ~~not exceed the greater of (1) the hourly rate equal to the~~  
3 ~~minimum wage required by the applicable federal, State, or~~  
4 ~~local minimum wage law or (2) \$13.00 per hour.~~

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

6 (820 ILCS 90/10)

7 Sec. 10. Prohibiting covenants not to compete for ~~low wage~~  
8 employees.

9 (a) After the effective date of this amendatory Act of the  
10 102nd General Assembly, no ~~No~~ employer shall enter into a  
11 covenant not to compete with any ~~low wage~~ employee of the  
12 employer.

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

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

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