

SB2737



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB2737

Introduced 1/12/2024, by Sen. Paul Faraci

SYNOPSIS AS INTRODUCED:

820 ILCS 90/10

Amends the Illinois Freedom to Work Act. Provides any covenant not to compete or covenant not to solicit entered into after the effective date of the amendatory Act shall not be enforceable with respect to professionals licensed in this State who provide mental health services to veterans and first responders. Effective immediately.

LRB103 37212 SPS 67331 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 Section 10 as follows:

6 (820 ILCS 90/10)

7 Sec. 10. Prohibiting covenants not to compete and
8 covenants not to solicit.

9 (a) No employer shall enter into a covenant not to compete
10 with any employee unless the employee's actual or expected
11 annualized rate of earnings exceeds \$75,000 per year. This
12 amount shall increase to \$80,000 per year beginning on January
13 1, 2027, \$85,000 per year beginning on January 1, 2032, and
14 \$90,000 per year beginning on January 1, 2037. A covenant not
15 to compete entered into in violation of this subsection is
16 void and unenforceable.

17 (b) No employer shall enter into a covenant not to solicit
18 with any employee unless the employee's actual or expected
19 annualized rate of earnings exceeds \$45,000 per year. This
20 amount shall increase to \$47,500 per year beginning on January
21 1, 2027, \$50,000 per year beginning on January 1, 2032, and
22 \$52,500 per year beginning on January 1, 2037. A covenant not
23 to solicit entered into in violation of this subsection is

1 void and unenforceable.

2 (c) No employer shall enter into a covenant not to compete
3 or a covenant not to solicit with any employee who an employer
4 terminates or furloughs or lays off as the result of business
5 circumstances or governmental orders related to the COVID-19
6 pandemic or under circumstances that are similar to the
7 COVID-19 pandemic, unless enforcement of the covenant not to
8 compete includes compensation equivalent to the employee's
9 base salary at the time of termination for the period of
10 enforcement minus compensation earned through subsequent
11 employment during the period of enforcement. A covenant not to
12 compete or a covenant not to solicit entered into in violation
13 of this subsection is void and unenforceable.

14 (d) A covenant not to compete is void and illegal with
15 respect to individuals covered by a collective bargaining
16 agreement under the Illinois Public Labor Relations Act or the
17 Illinois Educational Labor Relations Act and individuals
18 employed in construction. This subsection (d) does not apply
19 to construction employees who primarily perform management,
20 engineering or architectural, design, or sales functions for
21 the employer or who are shareholders, partners, or owners in
22 any capacity of the employer.

23 (e) Any covenant not to compete or covenant not to solicit
24 entered into after the effective date of this amendatory Act
25 of the 103rd General Assembly shall not be enforceable with
26 respect to professionals licensed in this State who provide

1 mental health services to veterans and first responders. For
2 the purpose of this subsection, "first responders" means
3 emergency medical services personnel, as defined in the
4 Emergency Medical Services (EMS) Systems Act, firefighters,
5 and law enforcement officers.

6 (Source: P.A. 102-358, eff. 1-1-22.)

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.