



Pennsylvania's Proposed “Freedom to Work Act” Aims to Join California in Banning Non-Compete Agreements

Insights

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Late last year, Pennsylvania legislators introduced House Bill 1938, the “Freedom to Work Act” (the “Act”), an outright ban on “covenant[s] not to compete” in Pennsylvania. Under the Act, “a covenant not to compete is illegal, unenforceable and void as matter of law.”

Scope of the Prohibition

The proposed Act defines a “covenant not to compete” as “[a]n agreement between an employer and employee that is designed to impede the ability of the employee to seek employment with another employer.” The Act’s narrow definition would still allow Pennsylvania employers to enter into non-solicitation agreements with its employees.

Further, the Act does not apply retroactively. Thus, employers would still be able to enforce covenants not to compete in effect at the time of the Act’s passage provided they are reasonable under existing Pennsylvania law. The Act does, however, prohibit the renewal of such covenants.

To read the full article, please visit the [Keystone Employment Law Blog](#).