

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~~

18 (e) A covenant not to compete or a covenant not to solicit
19 is void and illegal with respect to individuals employed in
20 construction, regardless of whether an individual is covered
21 by a collective bargaining agreement. This subsection (e) ~~(d)~~
22 does not apply to construction employees who primarily perform
23 management, engineering or architectural, design, or sales
24 functions for the employer or who are shareholders, partners,
25 or owners in any capacity of the employer.

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