

AN ACT concerning employment.

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

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

(820 ILCS 90/10)

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

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

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

void and unenforceable.

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

(d) A covenant not to compete is void and illegal with respect to individuals covered by a collective bargaining agreement under the Illinois Public Labor Relations Act or the Illinois Educational Labor Relations Act. ~~and~~

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

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