



e-Alert

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Washington DC Bans Non-Competes

Background

On January 11, 2021, Mayor Muriel Bowser [signed](#) the District of Columbia's Ban on Non-Compete Agreements Amendment Act of 2020. Washington, D.C. joins a handful of other states that virtually prohibit non-compete agreements. The applicability date is expected to be October 1, 2022.

Summary

This Act is one of the most expansive bans on non-compete agreements in the country. It prohibits employers in the District of Columbia to require an employee working in D.C. to sign a non-compete agreement. In other words, employers may not enter into an agreement or maintain a policy that restricts covered employees from simultaneously or subsequently from being employed by a third party or operating their own business whether or not those activities compete or not. What is unique about this ban is that it restricts any covered D.C. based employee from performing other work while employed, regardless of the employee's position or wages. Other states that ban non-competes restrict such agreements only with nonexempt employees.

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It is important to note that this prohibition only applies to non-competes entered on or after the Act's effective date of October 1, 2022.

Notice Requirements

Within 90 days of the Act's October 1 effective date and within seven days for new hires, a notice must be provided to covered employees that states the following:

“No employer operating in the District of Columbia may request or require any employee working in the District of Columbia to agree to a non-compete policy or agreement, in accordance with the Ban on Non-Compete Agreements Amendment Act of 2020.”

The Act is silent on how this notice must be delivered to employees.

Employer Next Steps

- Employers should review their employee agreements to ensure they comply with state-specific non-compete provisions.
- Employers should be prepared to meet the written notice requirements of the Act.
- If you are a Full-Service or Virtual HR client and have questions, please [email us](#).

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