Potential New Law Could Limit Enforceability of Restrictive Covenants in Employment Agreements



On September 29, 2022, the Senate Labor Committee met to consider moving forward with Senate Bill 1410, which was introduced in the New Jersey State Senate on February 10, 2022, and proposes certain limitations on restrictive covenants between employers and employees. Specifically, the bill stipulates that a restrictive covenant is enforceable only if it is disclosed to employees 30 days before employment, limits restrictions on protecting the employer's business interests, and gives notice to employees that they have a right to consult counsel before signing the agreement. The bill also requires employers to notify employees of their intent to enforce the agreement within 10 days after termination and allows employees to recover the pay they would have earned if they were not subjected to the terms of a prohibited restrictive covenant.

Click here to read the entire October 2022 Healthcare Law Update

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