

SENATE BILL No. 348

DIGEST OF INTRODUCED BILL

Citations Affected: IC 22-5-8.2.

Synopsis: Covenants not to compete. Provides that an employer may not require that an employee or a prospective employee whose earnings do not exceed \$15 an hour sign a covenant not to compete for any period of time after the termination of employment with the employer. Provides that an employer may not enforce a covenant not to compete, if at the time the employee left employment, the employee's earnings did not exceed \$15 an hour.

Effective: July 1, 2019.

Ford J.D.

January 8, 2019, read first time and referred to Committee on Pensions and Labor.



First Regular Session of the 121st General Assembly (2019)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2018 Regular and Special Session of the General Assembly.

SENATE BILL No. 348

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 22-5-8.2 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2019]:

4 **Chapter 8.2. Restrictions on Covenants Not to Compete**

5 **Sec. 1. An employer may not require an employee or a**
6 **prospective employee whose earnings do not exceed fifteen dollars**
7 **(\$15) an hour to sign a covenant not to compete against the**
8 **employer that restricts the employee from performing:**

9 (1) any work for another employer for a specified period of
10 time;

11 (2) any work in a specific geographic area; or

12 (3) work for another employer that is similar to the
13 employee's work for the employer included as a party to the
14 agreement;

15 for any period after termination of employment with the employer.

16 **Sec. 2. An employer may not enforce a covenant not to compete**
17 **as described in section 1 of this chapter against a former employee**



1 **separated from employment under any circumstances, if at the**
2 **time of the separation the former employee's earnings did not**
3 **exceed fifteen dollars (\$15) an hour. A contract described under**
4 **this section is void and contrary to public policy.**

