



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB1642

Introduced 1/28/2025, by Rep. Anne Stava-Murray

#### SYNOPSIS AS INTRODUCED:

820 ILCS 90/10

Amends the Illinois Freedom to Work Act. Provides that, beginning on January 1, 2026, no employer shall enter into a covenant not to compete or a covenant not to solicit with any employee unless the employee's actual or expected annualized rate of earnings exceeds \$300,000 per year. Effective January 1, 2026.

LRB104 09950 SPS 20020 b

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 \$300,000 ~~\$80,000~~ per year beginning  
13 on January 1, 2026 ~~January 1, 2027, \$85,000 per year beginning~~  
14 ~~on January 1, 2032, and \$90,000 per year beginning on January~~  
15 ~~1, 2037~~. A covenant not to compete entered into in violation of  
16 this subsection is 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 \$300,000 ~~\$47,500~~ per year beginning  
21 on January 1, 2026 ~~January 1, 2027, \$50,000 per year beginning~~  
22 ~~on January 1, 2032, and \$52,500 per year beginning on January~~  
23 ~~1, 2037~~. A covenant not to solicit entered into in violation of

1 this subsection is 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.

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) does  
22 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 (f) ~~(e)~~ Any covenant not to compete or covenant not to

1 solicit entered into after January 1, 2025 (the effective date  
2 of Public Act 103-915) ~~this amendatory Act of the 103rd~~  
3 ~~General Assembly~~ shall not be enforceable with respect to the  
4 provision of mental health services to veterans and first  
5 responders by any licensed mental health professional in this  
6 State if the enforcement of the covenant not to compete or  
7 covenant not to solicit is likely to result in an increase in  
8 cost or difficulty for any veteran or first responder seeking  
9 mental health services.

10 For the purpose of this subsection:

11 "First responders" means emergency medical services  
12 personnel, as defined in the Emergency Medical Services (EMS)  
13 Systems Act, firefighters, and law enforcement officers.

14 "Licensed mental health professional" means a person  
15 licensed under the Clinical Psychologist Licensing Act, the  
16 Clinical Social Work and Social Work Practice Act, the  
17 Marriage and Family Therapy Licensing Act, the Nurse Practice  
18 Act, or the Professional Counselor and Clinical Professional  
19 Counselor Licensing and Practice Act.

20 (Source: P.A. 102-358, eff. 1-1-22; 103-915, eff. 1-1-25;  
21 103-921, eff. 1-1-25; revised 11-26-24.)

22 Section 99. Effective date. This Act takes effect January  
23 1, 2026.