

California's Valentine's Day Gift to Employers: More Non-Competition Restrictions and Obligations

February 5, 2024

In October 2023, California's Governor signed Assembly Bill (AB) 1076 making it unlawful to impose non-compete clauses on employees. The non-compete statute now makes clear that, when California law applies, almost all non-compete and restrictive covenant clauses with employees are unenforceable. AB 1076 also imposes notice requirements upon employers through a specific Code section.

Under **Business & Professions Code §16600.1**, employers must send notices to the last known mailing *and* email address of every current and former employee who worked under a non-compete after January 1, 2022, informing them that any non-compete to which the employee was bound is now void.

The changes to the law took effect on January 1, 2024, but employers have until **February 14, 2024**, to provide the required notices under the statute.

Employers with California employees should contact their attorney to review and revise their current template restrictive covenant agreements to remove non-compete clauses. Employers may also need to work with their attorneys to draft and send notices to all employees covered by California law by February 14, 2024.