



## KNOW YOUR RIGHTS:

# Non-Compete Agreements



WORKERS' RIGHTS PROJECT • part of the NC JUSTICE CENTER / P.O. Box 28068 / Raleigh, NC 27611 / (919)856-2570 / [www.ncjustice.org](http://www.ncjustice.org)

### What are non-compete agreements?

Non-compete agreements are employment contracts that prohibit employees from taking similar jobs or creating their own competing businesses within a specific geographic area and/or time frame after they leave their current job.

### What does it mean to have signed a non-compete agreement?

If you have signed a non-compete agreement and then you violate the agreement by working for a competitor, your former employer can sue you in court. Your current

employer may even decide to terminate your employment.

It is common for an employer to have employees sign non-recruit (promising not to hire other employees) and non-solicitation agreements (promising not to solicit work from the employer's customers) along with a non-compete agreement.

### How common are non-compete agreements?

40% of workers in the US have signed a non-compete agreement at some point in their careers. 20% of workers are currently working under such an agreement.

Did you know?

### A NON-COMPETE PROFILE: Julia

Julia makes her living cleaning houses. A short term stint working for a housecleaning company ended up making it hard for her to work after she quit due to poor treatment.

After Julia left, her former employer sued her and 15 other former employees for allegedly breaching a non-compete agreement. Julia could not work on her own cleaning houses because of the non-compete agreement, and was abruptly fired from her job at another cleaning company when the owner learned about the litigation.

Julia and many of the other employees settled with the cleaning company, which agreed to remove the non-compete clause from its employment contracts and to pay back wages to some of the workers.

### What if my new boss asks me to sign a non-compete agreement?

Try to negotiate with your boss to have the non-compete agreement be as narrow as possible. For example, you can ask that the agreement be limited to only the particular geographic area you will cover or to the customers for whom you will perform work. You can ask your boss to decrease the amount of time the agreement covers. You can also ask your boss what s/he is trying to protect and then ask to change the agreement accordingly. Ask questions about the agreement to make sure your boss has a justification for it.

## ► YOUR RIGHTS under non-compete agreements.

### What if my new boss asks me to sign a non-compete agreement after I've already been working?

Ask your co-workers if they have been asked to sign a non-compete agreement as well. If the answer is yes, you and your co-workers can collectively complain to your boss about it. The National Labor Relations Act (NLRA) gives most workers the right to complain about workplace issues, if you do it with at least one other person. The NLRA also requires employers to negotiate with employees who are acting collectively and prohibits employers from retaliating against their employees for exercising their right to collectively bargain.

If you believe your boss interfered with this right, refused to negotiate, or asked you to sign the non-compete agreement in retaliation for collectively complaining about another employment issue, you may be able to make a complaint.

### TAKE ACTION!

Your story can help us make the case for stronger worker protections. If you have ever been sued for breaching a non-compete agreement by your former employer, please contact us to tell your story.

CONTACT:

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## RESOURCES

For help finding a lawyer, call:

- North Carolina Advocates for Justice ..... 1-(800) 688-1413
- North Carolina Bar Association Lawyer Referral Service ..... 1-(800) 662-7660
- Legal Aid of North Carolina ..... 1-(866) 219-5262

*To file a claim with a government agency or to seek information on the following issues, contact:*

<b>DISCRIMINATION</b>	<ul style="list-style-type: none"> <li>▪ US Equal Employment Opportunity Commission</li> <li>▪ Office of Special Counsel for Unfair Immigration-Related Employment Practices</li> </ul>	<b>1-800-669-4000 - or - <a href="http://www.eeoc.gov">www.eeoc.gov</a></b> <b>1-800-255-7688 - or - <a href="http://www.justice.gov/crt/about/osc/">www.justice.gov/crt/about/osc/</a></b>
<b>E-VERIFY</b>	<ul style="list-style-type: none"> <li>▪ Department of Homeland Security / E-Verify</li> </ul>	<b>1-888-897-7781 - or - <a href="http://www.dhs.gov/e-verify">www.dhs.gov/e-verify</a></b>
<b>FAMILY AND MEDICAL LEAVE</b>	<ul style="list-style-type: none"> <li>▪ US Department of Labor</li> </ul>	<b>1-866-487-9243 - or - <a href="http://www.dol.gov/whd">www.dol.gov/whd</a></b>
<b>HEALTH &amp; SAFETY</b>	<ul style="list-style-type: none"> <li>▪ NC Department of Labor</li> </ul>	<b>1-800-NC-LABOR (625-2267) - or - <a href="http://www.nclabor.com/osh/osh.htm">www.nclabor.com/osh/osh.htm</a></b>
<b>MISCLASSIFICATION</b>	<ul style="list-style-type: none"> <li>▪ Internal Revenue Service</li> <li>▪ NC Industrial Commission, Employee Classification Section</li> </ul>	<b><a href="http://www.irs.gov/pub/irs-pdf/fss8.pdf">http://www.irs.gov/pub/irs-pdf/fss8.pdf</a></b> <b>(919) 807-2582 - or - <a href="http://www.ic.nc.gov/EmployeeClassificationSection.html">www.ic.nc.gov/EmployeeClassificationSection.html</a></b>
<b>RETALIATION</b>	<ul style="list-style-type: none"> <li>▪ NC Department of Labor, Employment Discrimination Bureau</li> </ul>	<b>1-800- 625-2267 - or - <a href="http://www.nclabor.com/edb/edb.htm">www.nclabor.com/edb/edb.htm</a></b>
<b>UNEMPLOYMENT INSURANCE</b>	<ul style="list-style-type: none"> <li>▪ NC Department of Commerce, Division of Employment Security</li> </ul>	<b>1-877-841-9617 - or - <a href="https://www.ncesc.com/">https://www.ncesc.com/</a></b>
<b>UNIONS &amp; COLLECTIVE ACTION</b>	<ul style="list-style-type: none"> <li>▪ National Labor Relations Board</li> </ul>	<b>1-866-667-6572 - or - <a href="http://www.nlrb.gov">www.nlrb.gov</a></b>
<b>WAGE THEFT</b>	<ul style="list-style-type: none"> <li>▪ NC Department of Labor, Wage and Hour Bureau</li> <li>▪ US Department of Labor</li> </ul>	<b>1-800-625-2267 - or - <a href="http://www.nclabor.com/wh/wh.htm">www.nclabor.com/wh/wh.htm</a></b> <b>1-866-487-9243 - or - <a href="http://www.dol.gov/whd/">http://www.dol.gov/whd/</a></b>
<b>WORKERS' COMPENSATION</b>	<ul style="list-style-type: none"> <li>▪ NC Industrial Commission</li> </ul>	<b>1-800- 688-8349 - or - <a href="http://www.ic.nc.gov/">http://www.ic.nc.gov/</a></b>