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.

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.

Did you know?
What if my new boss asks me to sign a non-compete agreement?
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This fact sheet is intended to provide accurate, general information regarding legal rights relating to employment in North Carolina. However, this fact sheet does not address exemptions and does not go into detail regarding legal rights. In addition, laws and legal procedures are subject to frequent change and differing interpretations, and the North Carolina Justice Center cannot ensure the information in this sheet is current nor be responsible for any use to which it is put. Do not rely on this information without consulting an attorney or the appropriate agency about your rights in your particular situation.
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:

DISCRIMINATION
- Office of Special Counsel for Unfair Immigration-Related Employment Practices 1-800-255-7688 - or - www.justice.gov/crt/about/osc/

E-VERIFY
- Department of Homeland Security / E-Verify 1-888-897-7781 - or - www.dhs.gov/e-verify

FAMILY AND MEDICAL LEAVE
- US Department of Labor 1-866-487-9243 - or - www.dol.gov/whd

HEALTH & SAFETY
- NC Department of Labor 1-800-NC-LABOR (625-2267) - or - www.nclabor.com/osha/osh.htm

MISCLASSIFICATION
- NC Industrial Commission, Employee Classification Section (919) 807-2582 - or - www.ic.nc.gov/EmployeeClassificationSection.html

RETALIATION
- NC Department of Labor, Employment Discrimination Bureau 1-800-625-2267 - or - www.nclabor.com/edb/edb.htm

UNEMPLOYMENT INSURANCE
- NC Department of Commerce, Division of Employment Security 1-877-841-9617 - or - https://www.ncesch.com/

UNIONS & COLLECTIVE ACTION
- National Labor Relations Board 1-866-667-6572 - or - www.nlrb.gov

WAGE THEFT
- NC Department of Labor, Wage and Hour Bureau 1-800-625-2267 - or - www.nclabor.com/wh/wh.htm
- US Department of Labor 1-866-487-9243 - or - www.dol.gov/whd/

WORKERS’ COMPENSATION
- NC Industrial Commission 1-800-688-8349 - or - http://www.ic.nc.gov/