



CAMPUS COUNSEL

A legal blog written for administrators, HR professionals, in-house counsel, and deans at colleges and universities

Legislative Update – Massachusetts Non-compete Agreements

JULY 7, 2014

In July, the Massachusetts Senate passed an amendment which would severely limit employers' use of non-compete agreements with their employees. Non-compete clauses prohibit employees from competing with companies for typically one or two years after they leave the company. The amendment would prohibit non-compete agreements with all hourly employees and limit noncompetes to six months for executives, researchers, and managers who are covered by the amendment.

The amendment is a compromise – Governor Deval Patrick proposed banning all noncompetes (like California), and the House bill did not have any limits on such agreements. The amendment is currently in a Conference Committee and, if passed, would take effect on January 1, 2015.

Client Tip: *This is a significant change which, while it will not directly affect college and university employees, is important – particularly for high tech start-ups developing college and university technologies and companies in which colleges and universities own equity.*