

# Updating Non-Compete Agreements

This playbook outlines the steps necessary for evaluating and updating non-compete agreements to ensure they are enforceable and meet current legal standards.

## Step 1: **Review Current Law**

Research and review the current laws and regulations pertaining to non-compete agreements in the jurisdiction where the agreement is to be enforced. This may involve consulting legal databases, state statutes, recent case law, and any relevant federal laws.

## Step 2: **Evaluate Agreement**

Examine existing non-compete agreements to determine their compliance with the current legal standards. Assess the scope, duration, geographic limitations, and consideration provided to the employee to ensure these terms are reasonable and enforceable.

## Step 3: **Consult Expert**

Seek advice from a legal expert specializing in employment law to gain insight into potential vulnerabilities within the agreement and advice on best practices for non-compete clauses.

## Step 4: **Draft Revisions**

Revise the non-compete agreement to address any identified weaknesses and to incorporate current legal standards. This should

include making changes to the scope, duration, geography, and other key terms as necessary.

## **Step 5: Internal Review**

Conduct an internal review of the drafted revisions with key stakeholders in the organization, such as human resources, management, and legal team members, to gain approval and consensus.

## **Step 6: Update Agreement**

Finalize the updated non-compete agreements. Ensure the updated terms are clearly communicated to and acknowledged by employees, which may require obtaining new signatures or providing additional consideration.

## **Step 7: Monitor & Enforce**

Regularly monitor and enforce the updated non-compete agreements to ensure they remain compliant with any changes in the law. Prepare to defend the enforceability of the agreements in court, if necessary.

# **General Notes**

## **Legal Changes**

Laws governing non-compete agreements may change frequently. It's critical to stay informed of any legislative updates or court decisions that may impact the validity of non-compete clauses.

## **Employee Consideration**

When updating non-compete agreements, it's important to provide adequate consideration, which could be a promotion, raise, or other employment benefit, in exchange for the employee's agreement to the new terms.

## **Record Keeping**

Maintain thorough records of all iterations of the non-compete agreements, communications with employees about updates to the agreements, and any related actions by the company to support enforceability.

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