

MARYLAND

Maryland Prohibits Noncompete Agreements for Low Wage Workers

Many businesses require employees to enter into noncompete agreements, but low wage employees in Maryland will no longer be included in that practice. Effective October 1, 2019, [SB 328](#) prohibits employers from enforcing such agreements for employees earning \$15 per hour or less than \$31,200 per year. The statute focuses solely on the noncompete agreement, which means that employees are still prohibited from taking client lists or proprietary information that pertains to company clients, regardless of their pay grade.

Some Details Are Still Unclear

There are a few specifics about the law that also need to be fleshed out:

- Whether or not it nullifies agreements made prior to the October 1, 2019 deadline.
- Whether or not customer non-solicitation agreements are also prohibited.
- Whether or not it impacts company anti-moonlighting policies.

Action Steps for Maryland Employers

Before the statute goes into effect, employers should review all potentially applicable agreements, especially those for employees whose earnings are close to the specified \$15 per hour or \$31,200 annual threshold. To ensure your company is fully protected, review all:

- Noncompete agreements
- Customer non-solicitation agreements
- Anti-moonlighting policies