

# Employers Must Notify California Employees of Invalid Non-Competes By February 14

California has long prohibited non-compete restrictions and most restrictive covenant agreements with employees. However, two recent bills became effective in January 2024, further decreasing the likelihood that California courts will enforce any such agreements. One of these bills also imposes new time-sensitive notice obligations on employers who have entered into such covenants with California-based employees. Employers should assess whether they must send such notice to any California employees — failing to do so may subject an employer to damages or penalties.

California's non-compete statute now makes clear what California courts have long held in practice: when California law applies, almost all non-compete and restrictive covenant clauses are unenforceable, *regardless of where* the employee originally agreed to the clause. California law narrowly permits such agreements only when they arise from the sale or dissolution of a business.

The new law also requires employers to notify any California employees, *and* any California employee employed since January 1, 2022, about outstanding but invalid restrictive covenant agreements by February 14, 2024. The notice must be in writing to the individual's last known address *and* email address informing the individual that the non-compete is void.

## What Employers Should Do Now

Employers with California employees should review and revise their current template restrictive covenant agreements to remove non-compete covenants. Employers should also draft and send notices to all covered employees by **February 14, 2024**.

If you have any questions about California non-compete law or would like help in drafting the required notice, please contact [Matt DeLange](#), [Michael Gentry](#) or your Reinhart attorney.

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