

Labor Law Governing Covenants Not to Compete

Virginia Code § 40.1-28.7:8 pertains to the prohibition of non-compete covenants for low-wage employees. This code section becomes law on July 1, 2020 and does not apply to any agreements entered into prior to that date. The section contains a posting requirement for employers which advises, "Every employer shall post a copy of this section or a summary approved by the Department in the same location where other employee notices required by state or federal law are posted." Posting a copy of the Code will meet the requirements for notice to employees required under the law.

This Code defines a "low-wage employee" as an employee whose average weekly earnings are less than the average weekly wage of the Commonwealth as determined pursuant to subsection B of § 65.2-500. The most recent published average weekly wage in the Commonwealth is \$1,204.00 per week or \$62,608.00 annually.