DEPARTMENT OF EMPLOYMENT SERVICES Office of Wage-Hour

PUBLIC NOTICE

District of Columbia Prohibition on Non-Compete Clauses

Beginning October 22, 2022, the District of Columbia banned non-compete agreements and policies for medical specialists earning \$250,000 or less and all other employees earning \$150,000 or less.

These amounts increase annually on January 1 by the amount of increase, if any, in the Consumer Price Index for the preceding calendar year, as determined by the US Department of Labor Bureau of Labor Statistics.

As of January 1, 2024, the restriction on non-compete clauses applies to employees earning \$154,200 or less and to medical specialists earning \$257,000 or less.

Employers may not retaliate, or threaten to retaliate, against covered employees who refuse to sign a non-compete agreement, who fail to comply with a non-compete agreement, or who complain about the existence, applicability, or validity of any such agreement.

Employers may establish non-compete agreements in writing with highly compensated employees earning more than the amounts above, provided the agreements:

- Specify the functional scope of the competitive restriction, including what services, roles, industry, or competing entities the employee is restricted from performing work in or on behalf of;
- > Specify the geographical limitations of the work restriction, and:
 - If the employee is not a medical specialist, a term of non-competition that does not exceed 365 calendar days from the date the employee separates from the employer, or
 - If the employee is a medical specialist, a term of non-competition that does not exceed 730 calendar days from the date the employee separates from the employer;
- Are given to the employee at least 14 days before the start of employment, or if the highly compensated employee already works for the employer, at least 14 days before the start of the agreement.

Employers may not retaliate or threaten to retaliate against highly compensated employees who request non-compete agreements or proposed agreements in writing, nor against employees who object to agreement provisions that do not comply with the above limitations.

Reference: DC Code § 32-581.01-.05.

Please direct all inquiries to: owh.ask@dc.gov

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