

As employers plan for their hiring needs, they should also consider if new employees should be required to agree to be bound by any restrictive covenants as a condition of employment. Restrictive covenants, such as non-competition, non-solicitation, non-raiding, non-disclosure, and/or non-disparagement covenants, can help protect an employer's business and its trade secrets. If an employer requires that an employee agree to be bound by restrictive covenants as a condition of employment, the employer will not be required under Pennsylvania law to provide the employee with any payment or other consideration in order for the restrictive covenants to be enforceable. However, if an employer asks an employee to agree to be bound by certain restrictive covenants after the commencement of his or her employment, Pennsylvania law will require that the employer provide "new" consideration to the employee (such as a one-time bonus, raise, or other benefits to which the employee is not otherwise entitled) in order for the covenants to be legally binding upon the employee.

If you are interested in learning more about these issues, please contact Paul Rushton, the Chair of our Business & Finance Department, at 570-826-5623 or prushton@rjglaw.com or Jim Valentine, the Chair of our Labor & Employment Practice Group, at 570-826-5667 or jvalentine@rjglaw.com.