

Effective 5/10/2016

Part 2
Scope of Post-employment Restrictions

34-51-201 Post-employment restrictive covenants.

In addition to any requirements imposed under common law, for a post-employment restrictive covenant entered into on or after May 10, 2016, an employer and an employee may not enter into a post-employment restrictive covenant for a period of more than one year from the day on which the employee is no longer employed by the employer. A post-employment restrictive covenant that violates this section is void.

Enacted by Chapter 153, 2016 General Session

34-51-202 Exceptions.

- (1) This chapter does not prohibit a reasonable severance agreement mutually and freely agreed upon in good faith at or after the time of termination that includes a post-employment restrictive covenant. A severance agreement remains subject to any requirements imposed under common law.
- (2) This chapter does not prohibit a post-employment restrictive covenant related to or arising out of the sale of a business, if the individual subject to the restrictive covenant receives value related to the sale of the business.

Enacted by Chapter 153, 2016 General Session