

ASSEMBLY, No. 3970

STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED APRIL 4, 2013

Sponsored by:

Assemblyman PETER J. BARNES, III

District 18 (Middlesex)

Assemblyman JOSEPH V. EGAN

District 17 (Middlesex and Somerset)

Assemblyman WAYNE P. DEANGELO

District 14 (Mercer and Middlesex)

SYNOPSIS

Limits enforcement of certain employment contracts of individuals eligible for unemployment compensation.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 4/5/2013)

1 AN ACT concerning certain employment contracts and
2 unemployment compensation, and supplementing chapter 21 of
3 Title 43 of the Revised Statutes.

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5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

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8 1. An unemployed individual found to be eligible to receive
9 benefits pursuant to the “unemployment compensation law,”
10 R.S.43:21-1 et seq., shall not be bound by any covenant, contract,
11 or agreement, entered into with the individual’s most recent
12 employer, not to compete, not to disclose, or not to solicit. This
13 section shall not be construed to apply to any covenant, contract, or
14 agreement in effect on or before the date of enactment of P.L. ,
15 c. (C.)(pending before the Legislature as this bill).

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17 2. This act shall take effect immediately.

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STATEMENT

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22 This bill will invalidate any covenant, contract, or agreement not
23 to compete, not to disclose, or not to solicit, entered into by an
24 individual with the individual’s most recent employer, if the
25 individual is found to be eligible for unemployment insurance
26 benefits pursuant to the “unemployment compensation law,”
27 N.J.S.A.43:21-1 et seq. The bill stipulates that the provisions of the
28 bill will not apply to any covenant, contract, or agreement in effect
29 on or before the date of the bill’s enactment.