Proskauer

Wyoming Bans Most Non-Compete Agreements

Law and the Workplace on **April 2, 2025**

Wyoming just banned most non-compete agreements (Wyo. Stat. § 1-23-108): starting July 1, 2025, most agreements that restrict workers from working in competitive jobs will be void, absent some exceptions for:

- **High-Level Employees:** Non-compete agreements with "executive and management personnel" and "officers and employees who constitute professional staff to executive and management personnel" will still be enforceable. However, the statute does not define these terms, so employers should review those roles carefully.
- **Sale-of-Business:** Sellers and buyers can agree to non-competes when selling or transferring a business.
- **Trade Secrets:** Employers can protect trade secrets through narrowly tailored non-compete agreements that comply with the state's definition of trade secrets, *i.e.* "the whole or a portion or phase of a formula, pattern, device, combination of devices or compilation of information which is for use, or is used in the operation of a business and which provides the business an advantage or an opportunity to obtain an advantage over those who do not know or use it." Wyo. Stat. § 6-3-501(a)(xi).
- **Recovery of Relocation, Education, and Training Expenses:** Employers can contract with employees to recoup training, education, and/or relocation expenses if an employee leaves within 4 years, with varying repayment percentages based on tenure:
  - Up to 100% if employment lasted less than two yearsUp to 66% if employment was between two and three years
  - Up to 33% if employment was between three and four years

Special Rules for Physicians

Non-compete agreements for physicians that restrict practice are prohibited. Further, doctors may notify patients with rare disorders about their new practice location and contact information. Notably, the statute clarifies that an agreement that contains an enforceable non-compete against a physician that is otherwise permitted by law will remain enforceable.

Looking Ahead

The statute applies only prospectively to contracts signed on or after July 1, 2025. Wyoming employers and business should consult legal counsel to update or implement restrictive covenant agreements in a timely manner.

View original.

Related Professionals

- **Steven J. Pearlman**
  Partner