**My employer wants me to sign a noncompetition agreement. What is it? Is it legally binding?**  
**Question:**

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**Answer:**

A noncompetition agreement is an agreement between you and your employer stating that should you choose to leave the company, you will not go to work for a competitor or start a competing business within a specified geographic region for a specified period of time. Noncompetition agreements can be included within an employment agreement or may be a separate agreement.

If you are offered a new job, the hiring company may make it a condition of employment that you sign a noncompetition agreement. In the past, noncompetition agreements were generally required only for executive-level positions. Now, they have become more widely used with employees who have access to critical information through job responsibilities, such as salespeople, or even those with access to information through social interactions with owners or high-level executives.

It is legal in many states to require certain employees to sign noncompetition agreements. However, there are no general rules that apply to such agreements, and there have been situations where noncompetition agreements were deemed unenforceable by a court.

Generally, an enforceable employment-related noncompetition agreement must be necessary to protect a legitimate business interest of the employer, must not violate the public interest, and must contain language that:

* Limits the duration of the agreement
* Limits the geographic area to which it applies
* Details the scope of the prohibited activity

Some states will not enforce noncompetition agreements in the employment context at all. Consult an attorney to determine whether, and to what extent, such agreements are enforceable in your state.