

Step 2: If you have active noncompetes, give notice to those current workers who are not senior executives that their noncompete

- „ Model language for the notice can be found [here](#). If you provide your own notice. You can deliver notice by email or text message or paper notice by hand or mail. If you don't have any contact information for a former worker, you don't have to send the notice.

- „ **Notice is not required for senior executives because their existing noncompetes are not affected by the Rule.** As part of this step, consider whether any of your workers with active noncompetes are senior executives.

**Step 3: Do not enforce existing noncompetes going forward for workers other than senior executives.**

- „ For workers other than senior executives, don't enforce a noncompete in court or threaten workers or former workers with enforcement. You can still enforce an existing noncompete with a senior executive. You can also still enforce a claim that a noncompete was breached before the Rule's effective date.

### III. Frequently Asked Questions

**When is the effective date?**

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### **Can I hire a worker who had a noncompete in their prior job?**

- „ Yes, if the prior non-compete is covered by the Rule. Unless the worker was a senior executive, the prior non-compete is no longer enforceable after September 4, 2024, when the Rule is set to go into effect.

### **Does the Rule apply to noncompetes between businesses?**

- „ The Rule only applies to noncompetes between businesses and workers. For example, the Rule does not apply to noncompetes in franchisor/franchisee contracts, but it does apply to noncompetes between employers and workers at franchises. However, those other noncompetes, including between businesses, would still be subject to other antitrust laws.

### **What if I'm selling my business?**

- „ The Rule doesn't apply to noncompetes between a buyer and seller of a business (or potentially the seller's share of a business). The seller can agree to a noncompete individually, but not for any of the business's workers. The Rule prohibits noncompetes for workers, including in a sale of business context.

### **What if I know of another company enforcing noncompetes? Can I report them to the FTC?**

- „ Yes, you can help the FTC ensure that everyone complies with the Rule and protect fair competition by reporting any non-complying businesses with an email to [noncompete@ftc.gov](mailto:noncompete@ftc.gov).

### **Are there any recordkeeping or reporting requirements?**

- „ No. All you need to do once you send the notice is make sure that you don't enter into or enforce noncompetes going forward.

## **IV. Your Opportunity to Comment**

- „ The National Small Business Ombudsman and 10 Regional Fairness Boards collect comments from small businesses about federal compliance and enforcement activities.
- „ Each year, the Ombudsman evaluates the conduct of these activities and rates each agency's responsiveness to small businesses. Small businesses can comment to the Ombudsman without fear of reprisal. To comment, call toll-free 1-888-REGFAIR (1-888-734-3247) or go to [www.sba.gov/ombudsman](http://www.sba.gov/ombudsman).