

Non-Compete Agreements: Must an Employer Pay an Employee for a Non-Compete to Be Enforceable?



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06/16/2022

Yes. However, for many non-competes, an employee's continued employment is sufficient. For non-competes signed after July 21, 2015, the statute explicitly states that an employee's continued employment is sufficient consideration. Ark. Code Ann. § 4-75-101 (g). For non-competes signed on or before July 21, 2015, the case law requires consideration but does not specify what constitutes a sufficient amount. *Office Machs., Inc. v. Mitchell*, 234 S.W.3d 906, 908 (Ark. Ct. App. 2006). The reality is that continued employment will almost always constitute sufficient consideration in Arkansas.

This article is part of the Mitchell Williams Non-Compete Agreement series explaining how non-competes are interpreted and enforced. The series will be published weekly for a total of 7 articles.

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