

Virginia and Wyoming Further Restrict Use of Non-Competition Agreements

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As the future of the Federal Trade Commission's stalled federal ban on non-competition agreements remains uncertain ([FTC Non-compete Ban Blocked – For Good, For Now](#)), states continue to enact laws curtailing employers' ability to enforce such agreements. As of July 1, 2025, Wyoming and Virginia become the latest states to do so.

Virginia

Virginia law currently prohibits employers from entering into or enforcing non-compete agreements with "low-wage employees." The law currently defines a "low wage employee" as an individual earning less than the average weekly wage in the Commonwealth—equating to roughly an annual salary of \$76,000 in 2025. Beginning July 1, the definition of "low-wage employee" will expand to include all non-exempt employees, regardless of pay rate or earnings. The law is not retroactive. Existing noncompetes remain valid after July 1, but they cannot be renewed after that date.

Employers in Virginia who use non-compete agreements should review existing agreements to ensure compliance with the law's forthcoming expansion. Employers may still use limited nondisclosure agreements and enforce noncompetes for certain employees. Employees may maintain a private right of action for liquidated damages and attorneys' fees for violations. And employers face further civil fines of up to \$10,000.

Wyoming

On July 1, Wyoming will prohibit nearly all non-compete agreements that are entered on and after that date. This ban does not apply to:

- A noncompete contained in a contract for the purchase and sale of a business or the assets of a business;
- A noncompete that provides for the protection of trade secrets as defined by Wyoming law;

- A contractual provision providing for the recovery of all or a portion of the expense of relocating, educating, and training an employee; or
- Executive and management personnel and officers and employees who constitute professional staff to executive and management personnel. The law does not define these employees.

The law further prohibits all non-compete provisions restricting the practice of physicians, though remaining portions of agreements containing such restrictions will remain enforceable if otherwise lawful. A physician may disclose their continuing practice of medicine and new professional contact information to any patient with a rare disorder as defined in accordance with the National Organization for Rare Disorders to whom the physician was providing consultation or treatment before the physician's employment ended. Neither the physician nor the physician's employer are liable to any party to the prior agreement for damages alleged to have resulted from the disclosure or from the physician's treatment of the patient after termination of the prior agreement or employment.

Takeaways

Employers should review and consider the enforceability of currently drafted non-compete agreements, particularly employers with operations across multiple jurisdictions. Contact your Vorys attorney with questions or assistance in preparing reviewing non-compete agreements and other restrictive covenants.