

SENATE BILL No. 132

DIGEST OF INTRODUCED BILL

Citations Affected: IC 22-5-11.

Synopsis: Restriction on noncompete agreements. Prohibits an employer and an employee from entering into a noncompete agreement if the employee's annual compensation is less than \$150,000.

Effective: Upon passage.

Randolph Lonnie M, Qaddoura

January 5, 2026, read first time and referred to Committee on Judiciary.



Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

SENATE BILL No. 132

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 22-5-11 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
3 PASSAGE]:

4 **Chapter 11. Noncompete Agreements**

5 **Sec. 1. This chapter does not apply to a noncompete agreement**
6 **entered into before April 1, 2026.**

7 **Sec. 2. As used in this chapter, "compensation" means any form**
8 **of remuneration paid by an employer to an employee. The term**
9 **includes the following:**

10 (1) Hourly wages.

11 (2) Salary.

12 (3) Commissions.

13 **Sec. 3. As used in this chapter, "employee" means a person**
14 **employed or permitted to work or perform services for**
15 **remuneration under a contract of hire, written or oral, by an**
16 **employer.**

17 **Sec. 4. As used in this chapter, "employer" means the following:**



1 (1) A sole proprietor, corporation, partnership, limited
2 liability company, or other entity with one (1) or more
3 employees.

4 (2) A state agency (as defined in IC 22-2-20-5).

5 (3) A political subdivision (as defined in IC 36-1-2-13).

6 Sec. 5. An employer and an employee may not enter into a
7 noncompete agreement if the employee's annual compensation is
8 less than one hundred fifty thousand dollars (\$150,000).

9 Sec. 6. Any agreement in violation of section 5 of this chapter is
10 void and unenforceable.

11 Sec. 7. To the extent this chapter conflicts with a provision of
12 any other Indiana law, including the provisions of IC 25-22.5-5.5,
13 this chapter prevails.

14 SECTION 2. An emergency is declared for this act.

