



April 23, 2025

The Honorable Sean Ryan
New York State Senate
188 State Street
Legislative Office Building, Room 944
Albany, NY 12247

Dear Senator Ryan:

On behalf of the Society for Human Resource Management and the New York SHRM State Council (NYSHRM), I write to express our concerns that Senate Bill S.4641A, as drafted, may have unintended consequences for New York's businesses and workforce.

As the trusted authority on all things work, SHRM is the foremost expert, researcher, advocate, and thought leader on issues and innovations impacting today's evolving workplaces. With nearly 340,000 members in 180 countries, SHRM touches the lives of more than 362 million workers and their families globally. NYS SHRM serves as the bridge between SHRM and local chapters in New York State, representing nearly 15,000 HR professionals from almost every industry and business size.

SHRM advocates for policies that create a thriving labor market where individuals and organizations benefit. Narrowly tailored noncompete agreements with appropriate employees play a critical role in protecting businesses' intellectual property, training investments, and overall competitiveness. SHRM supports allowing consenting parties to enter into these agreements to advance mutual interests. Too broad of restrictions may have the unintended consequences of stifling innovation, limiting training opportunities, and harming workers and businesses alike.

SHRM and NYSHRM agree that noncompete agreements with parties of unequal bargaining power do not promote a healthy labor market. Additionally, we recognize the need to protect worker mobility and support promoting a well-functioning labor market where workers can earn higher wages. SHRM has consistently advocated that noncompete agreements are unnecessary and inappropriate for lower-wage workers or for workers in specific industries where such agreements are against public policy.

SHRM encourages policymakers to strike an equitable balance between the interests of employers and their workforce. While we understand the intent behind S.4641A, we believe this bill, as currently drafted, is overly broad and we would suggest a more measured approach. Fair competition and a healthy labor market can be best achieved while also recognizing the value of well-structured, narrowly tailored noncompete agreements with appropriate workers.



Presently, SHRM and NYSHRM are concerned with S.4641A's currently proposed salary threshold of \$500,000, as the high level of the threshold would effectively amount to a near total ban, especially for businesses and employees outside of the New York City area, where salaries are generally lower. SHRM supports a reasonable salary threshold but advocates aligning it with executive pay scales for those with access to confidential information or trade secrets. SHRM research shows that most employers apply noncompete agreements to high-level employees earning well below this threshold, with a 2023 SHRM survey revealing that 57 percent of respondents require such agreements only for employees earning over \$150,000 annually.

SHRM and NYSHRM recommend amending S.4641A to lower the salary threshold while creating an exemption for certain "Executive Seniors" based on criteria beyond salary alone. This would ensure the bill effectively limits noncompete agreements to employees who make significant decisions or have access to confidential information or trade secrets, while also accounting for regional salary differences across New York, making it more equitable for businesses and employees outside of major metropolitan areas such as New York City.

We would welcome the opportunity to continue to discuss these recommendations in greater detail and explore ways to improve S.4641A that would help achieve its intended goals while minimizing unintended consequences and disruptions to the workforce. We appreciate your consideration of these concerns and look forward to working together on policies that strengthen New York's workforce and economy.

If you have any questions regarding SHRM's position on S.4641A or other policies impacting the workplace, please contact Sean McIntosh (sean.mcintosh@shrm.org), Mike Rose (mike.rose@shrm.org) or Jeanne Stewart (jeanne@hronthemoove.com).

Sincerely,

Emily M. Dickens, J.D.
Chief of Staff, Head of Government Affairs,
and Corporate Secretary, SHRM

Jeanne A. Stewart
State Legislative Director
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