

Employees in France Must Be Compensated During Post-termination Non-compete Period

Friday, April 20, 2012

Multinational companies with employees in France should be aware that terminated employees subject to a non-compete restriction must be compensated during the non-compete period after termination of employment. Given this legal requirement, non-compete and severance agreements for employees in France must provide for financial compensation after employment termination during any non-compete period. If compensation is not provided during the non-compete period, the non-compete agreement is null and void, and the terminated employee is free to work for competitors. In the event an employer becomes aware that a former employee is breaching his or her non-compete agreement, the employer should still pay the financial consideration until it has strong written evidence of the breach. If the employee stops receiving financial consideration, the former employee could argue that the employer is breaching the severance or non-compete agreement and that the non-compete provision thus is no longer binding. Alternatively, non-compete agreements in France should provide that the employer can waive the non-compete restriction within a certain number of days following the employee's termination of employment. This type of provision allows an employer to voluntarily choose to waive non-compete restrictions and avoid paying the former employee further financial consideration following employment termination.

In light of these requirements, multinational companies should make sure local management in France establish non-compete and severance agreements with French employees that allow a waiver of non-compete provisions within the prescribed time periods or that provide adequate financial consideration for any non-compete agreement provisions they want to enforce.

© 2019 McDermott Will & Emery

Source URL: <https://www.natlawreview.com/article/employees-france-must-be-compensated-during-post-termination-non-compete-period>

The logo for McDermott Will & Emery, featuring the firm's name in a green, sans-serif font. The text is arranged in two lines: "McDermott" on the top line and "Will & Emery" on the bottom line.

Article By [Todd A. Solomon](#)
[Jilali Maazouz](#) [McDermott Will & Emery](#)

[Labor & Employment](#)
[France](#)