STATE OF NEW YORK

293

2025-2026 Regular Sessions

IN ASSEMBLY

(Prefiled)

January 8, 2025

Introduced by M. of A. CRUZ, ROSENTHAL, SIMON, EPSTEIN, MAMDANI, BICHOTTE HERMELYN, GONZALEZ-ROJAS, SEAWRIGHT, DINOWITZ, PAULIN, SIMONE, GALLAGHER, DAVILA -- read once and referred to the Committee on Judiciary

AN ACT to amend the general obligations law, in relation to the release of certain claims by certain employees

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The general obligations law is amended by adding a new section 5-338 to read as follows:

§ 5-338. Release of certain employee claims. 1. For purposes of this section, the following terms shall have the following meanings:

(a) "Employer" shall mean all public and private employers within the state.

(b) "Employee" shall mean all public and private employees within the state.

2. No release of any claim by an employee, or independent contractor who is a natural person, against an employer, is enforceable if, as part of the agreement resolving such claim, the employee or independent contractor is prohibited from applying for, accepting, or engaging in future employment with such employer, or any entity or entities related to such employer. The provisions of this section shall not preclude an employee and employer from agreeing to terminate an existing employment relationship as part of a settlement of a claim. If a release of a claim is rendered unenforceable pursuant to this section, the employer shall remain bound by all other provisions of the settlement agreement, including the obligation to provide the full consideration to the employee as set forth in the agreement.

§ 2. This act shall take effect on the sixtieth day after it shall have become a law and shall apply to all agreements entered into on and after such date.

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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