

## Practical Tips for Smart Businesses: Stale Agreements Can Affect Enforceability

Employers often rely on a number of employment agreements to spell out employment related terms and conditions for employees. Aside from the traditional standard employment contract, many companies routinely ask employees to sign arbitration agreements, non-disclosure, confidentiality and non-solicitation agreements. In addition, upon separation from employment, a separation or severance agreement is sometimes presented to a departing employee. All of these agreements contain legal provisions which, if not updated over time, may become stale and potentially unenforceable as changes in employee contract law affect their validity. For instance, the standards for enforcing arbitration agreements have changed significantly over the past few years, and many agreements drafted prior to 2003 may no longer be enforceable (and may in fact be illegal). Like handbooks, employment agreements should be periodically reviewed by counsel and updated based on current legal standards so that companies have the best chance of enforcing those agreements should it be necessary to do so. ■