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What Happens to Employment Agreements and Noncompete Agreements in Bankruptcy?

Creditor's Rights Toolkit

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An employer's bankruptcy filing can significantly impact an employee's agreements with the debtor. While a reorganizing debtor may agree to continue honoring its obligations under employment agreements, the Bankruptcy Code gives a debtor broad powers that may allow significant changes to an employee's bargained-for rights.

This article discusses how employment contracts and noncompete agreements may be affected during a bankruptcy case. To access this article and read other insights from our Creditor's Rights Toolkit, [please click here](#).

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