

Articles + Publications | August 7, 2025

What Happens to Employment Agreements and Noncompete Agreements in Bankruptcy?

Creditor's Rights Toolkit

WRITTEN BY

David M. Fournier | Kenneth A. Listwak | Evelyn J. Meltzer | Tori Lynn Remington | Katherine E. Culbertson | Sean A. Feener | Hanna J. Redd

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](#).

RELATED INDUSTRIES + PRACTICES

- [Distressed Mergers + Acquisitions](#)
- [Debtor + Committee Representations](#)
- [Bankruptcy + Restructuring](#)
- [Trade Creditors Representation](#)