

Employee Factsheet

<p>What is Insolvency?</p>	<p>This occurs when an employer has no money with which to pay the people they owe in full. Under these circumstances they have to make special arrangements to try and meet these debts.</p> <p>There are different types of insolvency as follows: -</p> <ul style="list-style-type: none"> • Administration • Liquidation • Voluntary Arrangement • Bankruptcy 	<p>Usually someone called an Insolvency Practitioner or Official Receiver is appointed to deal with the insolvency and could act as one of the following: -</p> <ul style="list-style-type: none"> • Administrator • Liquidator • Supervisor • Trustee
<p>What can I claim for? How can I make a claim?</p>	<p>You can claim for all your outstanding monies but there is no guarantee that the full amount you are owed will be paid as this depends on whether enough funds are raised from the sale of the employer's assets.</p> <p>As full payment cannot be guaranteed, special arrangements have been put in place to allow employees to claim some of the debts owed to them from the National Insurance Fund through the Redundancy Payments Service, ('RPS'). These claims are as follows:-</p> <ul style="list-style-type: none"> • Arrears of Wages • Holiday Pay • Redundancy • Pay in Lieu of Notice 	<p>Claims are made by completing an online application form directly via the RPS website www.gov.uk/claim-redundancy. You will need a Case Reference number which is specific to the insolvency appointment (i.e. your employer) which should be provided to you by the Insolvency Practitioner.</p> <p>Completing the application usually takes between 25 and 45 minutes. The application will ask questions about your employment, so you should have the following information to hand: -</p> <ul style="list-style-type: none"> • Your salary / wages • Your holiday entitlement • Your National Insurance number <p>If you are claiming Pay in Lieu of Notice there is a further application to make online once your notice period has elapsed.</p>

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Arrears of Wages	<p>You can claim arrears of wages you are owed but the RPS will only pay up to a maximum of 8 weeks. The maximum amount the RPS will pay is £489 per week (correct as at December 2017). If you earn over £489 per week the surplus may be claimed in the insolvency proceedings.</p>	<p>Your claim will be subject to income tax and national insurance contributions at basic rates, wage arrears include commission and overtime but not maternity pay. If your claim includes overtime and/or bonuses you need to provide evidence of the sums due.</p>
Holiday Pay	<p>You can claim your accrued outstanding holiday pay. The RPS will only pay a maximum of six weeks of accrued holiday pay, again up to a limit of £489 per week. Any monies due over this amount may be claimed in the insolvency proceedings.</p>	<p>Again income tax and national insurance will be deducted at basic rate.</p>
Redundancy	<p>To qualify for redundancy pay you must:</p> <ul style="list-style-type: none"> • Have been in continuous employment for two or more years • Have made a written application to your employers or applied to an Employment Tribunal for an award, within six months of your job ending (completion of the RPS online claim form is sufficient) <p>The entitlement is 1 week for every complete year of service up to a maximum of 30 weeks.</p>	<p>For every complete year of service you are aged 41 or over you will receive 1.5 weeks pay.</p> <p>The RPS will only pay a maximum of £489 per week of this claim. If you earn over this amount the balance will form your claim in the insolvency proceedings.</p>
Pay in Lieu of Notice and expenses	<p>This is a compensation payment, i.e. you will only receive the payment if you have not earned anything during your notice period. Any benefits and or money earned will be deducted from this compensation payment.</p> <p>Your entitlement is based on your length of service as follows: -</p>	<ul style="list-style-type: none"> • 1 weeks pay if you were continuously employed over one calendar month but less than two year's service; or • 1 weeks pay for each complete year worked over 2 years up to a maximum of 12 weeks.

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Continued...	<p>You are obligated to mitigate your claim in your notice period. It is important to claim benefits during this period if you do not have alternative employment as the amount you would receive in benefits will automatically be deducted from your claim even if you have not received them.</p>	<p>This claim is paid at a limit of £489 per week, for each week payable (after deductions including notional tax, benefits or wages received during your notice period).</p> <p>Expenses will not be paid by the RPS, but may be claimed in the insolvency proceedings.</p>
<p>Statutory Sick Pay, Statutory Maternity Pay, Statutory Paternity Pay, Statutory Adoption Pay</p>	<p>This will be paid directly by HM Revenue and Customs and in the case of statutory sick pay, by the Department of Work and Pensions.</p>	<p>If your employer is insolvent and you are having difficulty getting these payments, you can contact the Statutory Payment Disputes Team on: 03000 560 630.</p>
<p>Pensions Contributions</p>	<p>If you and other employees have been paying into a pension scheme at work, the pension fund trustees can apply to the Secretary of State for some of your employer's unpaid contributions to be paid into the scheme.</p>	<p>It is important that you make the Insolvency Practitioner aware of the Pension Scheme and he/ she should be able to assist in claiming any unpaid contributions.</p>
<p>When will I receive my money</p>	<p>Your claims will be processed and paid by the RPS.</p> <p>The RPS advise that on average it takes 14 days to process an application and pay claims, however this is caveated that during busy periods this can take longer. The RPS advise that they always try to pay 95% of claims within 6 weeks of receiving the application.</p>	

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<p>Who will deal with my queries</p>	<p>Should you have any queries regarding your claims please contact the RPS directly on the following: -</p> <p>Tel: 0330 331 0020 Email: redundancypaymentsonline@insolvency.gsi.gov.uk</p>	<p>Please ensure you quote your Case Reference Number or National Insurance Number to assist the RPS identifying you and your claim.</p>
<p>What if I have Payment Protection Policy or similar</p>	<p>When you make a claim to your policy provider there will likely be a claim form which they will provide to you, this usually includes a section which needs to be completed by the Insolvency Practitioner and relates to the Company and the insolvency procedure.</p>	<p>Accordingly, you should complete the policy claim form as far as possible and then send it to the Insolvency Practitioner for completion.</p>
<p>What happens if my pension contributions are not made by my employer</p>	<p>Under the Pension Schemes Act 1993, employees or Trustees of the pension scheme apply in writing to the RPS for payments into the scheme from the National Insurance Fund for certain types of unpaid employer contributions to an occupational pension scheme or personal pension scheme.</p>	

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