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## STATUTORY INSTRUMENTS

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# 1996 No. 1919

## The Employment Rights (Northern Ireland) Order 1996

### PART XIV

#### INSOLVENCY OF EMPLOYERS

##### Transfer to Department of rights and remedies

**234.**—(1) Where, in pursuance of Article 227, the Department makes a payment to an employee in respect of a debt to which this Part applies—

- (a) on the making of the payment any rights and remedies of the employee in respect of the debt (or, if the Department has paid only part of it, in respect of that part) become rights and remedies of the Department, and
- (b) any decision of an industrial tribunal requiring an employer to pay that debt to the employee has the effect that the debt (or the part of it which the Department has paid) is to be paid to the Department.

(2) Where a debt (or any part of a debt) in respect of which the Department has made a payment in pursuance of Article 227 constitutes a preferential debt within the meaning of the Insolvency (Northern Ireland) Order 1989 for the purposes of any provision of that Order (including any such provision as applied by any order made under that Order) or any provision of the Companies (Northern Ireland) Order 1986, the rights which become rights of the Department in accordance with paragraph (1) include any right arising under any such provision by reason of the status of the debt (or that part of it) as a preferential debt.

(3) In computing for the purposes of any provision mentioned in paragraph (2) the aggregate amount payable in priority to other creditors of the employer in respect of—

- (a) any claim of the Department to be paid in priority to other creditors of the employer by virtue of paragraph (2), and
- (b) any claim by the employee to be so paid made in his own right,

any claim of the Department to be so paid by virtue of paragraph (2) shall be treated as if it were a claim of the employee.

<sup>F1</sup>(4) But the Department shall be entitled, as against the employee, to be so paid in respect of any such claim of the Department's (up to the full amount of the claim) before any payment is made to the employee in respect of any claim by the employee to be so paid made in his own right.

(5) Any sum recovered by the Department in exercising any right, or pursuing any remedy, which is the Department's by virtue of this Article shall be paid into the Northern Ireland National Insurance Fund.

**Status:**

Point in time view as at 01/01/2006. This version of this provision has been superseded.

**Changes to legislation:**

There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Employment Rights (Northern Ireland) Order 1996. Any changes that have already been made by the team appear in the content and are referenced with annotations.