

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

SCHEDULE

Form 20

Income Payment Agreement

Bankruptcy Scotland Act 1985, section 32(4B)

Part 1 (to be completed by the debtor)

I,	Insert debtor's name
	Insert debtor's address
	Town
	County
	Postcode

agree to pay £_____ (amount of contribution)

each *week/month

from _____ (start date)

until _____ (end date)

to

*the Accountant in Bankruptcy

* _____ (name of trustee)

*out of income due to be paid to me by _____ (name of employer) as specified in part 2 of this form.

*by standing order from the bank account specified in part 3 of this form

I agree to the review of this agreement on _____ (date of review).

I have read the attached notes.

Signed _____ (debtor)

Date _____.

*delete as appropriate

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Part 2 (Section A to be completed by the debtor where contributions are to be paid by the employer out of earnings, section B to be completed by the trustee)

Details of Employer

A. To be completed by the debtor

	Insert name of company or firm
	Business address
	Town
	County
	Postcode
	Business phone number
	Employment reference number

I authorise my employer to deduct from my earnings on each pay day (as defined in note 15 below) the sums specified in Part 1 of the Form for the period there specified or until recall of this instruction if earlier, and to pay those sums to the account specified below quoting the trustee's reference.

Signed _____ (debtor)

Date _____.

Now send this form to your trustee

B. To be completed by the trustee

	Name of payee (the trustee)
	Business address of payee
	Bank and branch to which payment is to be made
	Address of bank to which payment is to be made
	Account number
	Sort code
	Trustee's Reference

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Part 3 (section A to be completed by the debtor if contributions are not to be paid by the employer out of earnings, section B to be completed by the trustee)

Bank or Building Society Account

A. To be completed by the debtor

	Bank and branch from which payment is to be made
	Address of bank from which payment is to be made
	Insert name of account to be debited
	Account number
	Sort code

Please make payments as specified in the schedule above to the account specified below quoting the trustee's reference, and debit *my/our account. Payment to continue until the date specified above unless you receive further notice in writing. This instruction cancels any previous order in favour of the payee.

Signed _____ (debtor)

Date _____.

*delete as appropriate

Now send this form to your trustee

B. To be completed by the trustee

	Name of payee (the trustee)
	Business address of payee
	Bank and branch to which payment is to be made
	Address of bank to which payment is to be made
	Account number
	Sort code
	Trustee's Reference

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Part 4 (to be completed by the trustee)

I, Insert name

Agree to the payment plan proposed in Part 1 of this form *on behalf of

* delete if trustee is personally signing the agreement

<input type="text"/>	Insert name of trustee or Accountant in Bankruptcy
<input type="text"/>	Insert trustee's address
<input type="text"/>	
<input type="text"/>	Town
<input type="text"/>	County
<input type="text"/>	Postcode

Signed _____ (trustee or representative)

Date _____

Notes

1. Section 32 of the Bankruptcy (Scotland) Act 1985 allows your trustee to seek a contribution from your surplus income. This is known as an Income Payment Agreement (IPA) or an Income Payment Order (IPO).
2. You are expected to pay a contribution out of what is left of your income after you have paid for the essential things you need to maintain your house and support yourself and your family. You will be expected to sign and comply with the terms of an IPA. If you cannot agree how much you should pay, your trustee can apply to the sheriff for an IPO, instructing you how much you have to pay. You may be committing a criminal offence if you do not comply with the terms of an IPO.
3. You cannot be asked to make a payment out of your social security benefits but if you have other income then your social security benefits may be taken into account when calculating how much you can afford to pay out of your other income.
4. You have a duty to cooperate with your trustee and to provide details of your income and expenditure. If you do not cooperate, your trustee can seek a court order against you and ask the sheriff to defer your date of discharge from bankruptcy.
5. An IPA cannot be made after the date you are discharged from bankruptcy.
6. An IPA can last for 3 years from the date it begins even if this continues past the date of your discharge.
8. This agreement may be varied if you and your trustee agree in writing.
9. If you and your trustee cannot agree, you both have the right to ask the sheriff to vary the IPA.
10. Another interested party (for example, one of your creditors) can also ask the sheriff to vary the IPA.
11. You can agree for a third party (for example, an employer) to make payments direct to your trustee out of money that they are due to pay to you. If you agree to payments direct from your earnings you should complete the authorisation for your employer to make deductions in section A of the mandate in Part 2 of this form.
12. If you do not agree to a direct payment from your employer you must complete section A of the mandate in Part 3 of this form to allow a contribution to be made from your bank account.
13. If you do not keep to this agreement, your trustee can apply to the sheriff for an IPO (see note 2 above) even if this is after the date of your discharge from bankruptcy.
14. The first payment under this agreement will not be collected until at least 14 days after the date you sign it. This allows you a chance to contact your trustee if you think that the agreement should be altered after you have signed it.
15. "pay day" means any day on which your employer pays earnings to you, except that the first pay day must be at least 14 days after date on which you sign this form.