

SCHEDULES

SCHEDULE 3

PRIORITY IN BANKRUPTCY, ETC

State scheme premiums

- 3 (1) This Schedule applies to any sum owed on account of a state scheme premium payable at any time before, or in consequence of a person going into liquidation or being adjudged bankrupt or (in the case of a company not in liquidation)—
- (a) the appointment of a receiver as mentioned in Article 50 of the Insolvency (Northern Ireland) Order 1989 (debenture-holders secured by floating charge), or
 - (b) the taking of possession by debenture-holders (so secured) as mentioned in Article 205 of the Companies (Northern Ireland) Order 1986.
- (2) Where any such premium is payable in respect of a period of service of more than 12 months (taking into account any previous linked qualifying service), the amount to be paid in priority by virtue of this paragraph shall be limited to the amount of the premium that would have been payable if the service had been confined to the last 12 months taken into account in fixing the actual amount of the premium.
- (3) Where—
- (a) by virtue of this paragraph the whole or part of a premium is required to be paid in priority to other debts of the debtor or his estate; and
 - (b) the person liable for the payment would be entitled to recover the whole or part of any sum paid on account of it from another person either under section 57 or under any provision made by the relevant scheme for the purposes of that section or otherwise,
- then, subject to sub-paragraph (4), that other person shall be liable for any part of the premium for the time being unpaid.
- (4) No person shall be liable by virtue of sub-paragraph (3) for an amount in excess of the sum which might be so recovered from him if the premium had been paid in full by the person liable for it, after deducting from that sum any amount which has been or may be recovered from him in respect of any part of that payment paid otherwise than under that sub-paragraph.
- (5) The payment under sub-paragraph (3) of any amount in respect of a premium shall have the same effect on the rights and liabilities of the person making it (other than his liabilities under that sub-paragraph) as if it had been a payment of that amount on account of the sum recoverable from him in respect of a premium as mentioned in sub-paragraph (3)(b).