

These notes relate to the Bankruptcy and Diligence etc. (Scotland) Act 2007 (asp 3) which received Royal Assent on 15 January 2007

BANKRUPTCY AND DILIGENCE ETC. (SCOTLAND) ACT 2007

EXPLANATORY NOTES

THE ACT

Commentary

Part 9 – Diligence Against Earnings

Section 200 – Arrestment of earnings: deductions from holiday pay

New section 49A – Deductions where net earnings include holiday pay

655. New section 49A provides that any holiday pay which is paid on the same day on which normal earnings are paid is to be treated separately from the normal earnings for the purpose of calculating any deductions to be made under an earnings arrestment. On such a pay-day, the amount to be deducted from the normal earnings is calculated in accordance with section 49 as if the holiday pay had not been paid. A separate calculation is then made to determine the deduction to be made from the holiday pay. The holiday pay is treated broadly as if it were normal earnings relating to the period during which the debtor is on holiday.
656. This makes a change to the previous system under which holiday pay was added to the normal earnings and the deduction was calculated on the basis of that aggregated payment.