
Changes to legislation: There are currently no known outstanding effects for the Insolvency Act 1994. (See end of Document for details)

SCHEDULES

SCHEDULE 1

Section 4.

CORRESPONDING PROVISION FOR NORTHERN IRELAND

- 1 (1) Article 31 of the ^{M1}Insolvency (Northern Ireland) Order 1989 (vacation of office) shall be amended as follows.
- (2) In paragraph (3) (which provides for paragraphs (4) and (5) to apply where a person ceases to be administrator) for “paragraphs (4) and (5)” there shall be substituted “the following paragraphs”.
- (3) In paragraph (5) (which provides for certain debts and liabilities incurred during administration, including those incurred under contracts of employment adopted by the administrator, to be charged on the company’s property in priority to his remuneration and expenses) the words “or contracts of employment adopted” and the words from “and for the purpose” to the end shall be omitted.
- (4) At the end there shall be inserted—
- “(6) Any sums payable in respect of liabilities incurred, while he was administrator, under contracts of employment adopted by him or a predecessor of his in the carrying out of his or the predecessor’s functions shall, to the extent that the liabilities are qualifying liabilities, be charged on and paid out of any such property as is mentioned in paragraph (4) and enjoy the same priority as any sums to which paragraph (5) applies; and for the purpose of this paragraph the administrator is not to be taken to have adopted a contract of employment by reason of anything done or omitted to be done within 14 days from his appointment.
- (7) For the purposes of paragraph (6), a liability under a contract of employment is a qualifying liability if—
- (a) it is a liability to pay a sum by way of wages or salary or contribution to an occupational pension scheme, and
- (b) it is in respect of services rendered wholly or partly after the adoption of the contract.
- (8) There shall be disregarded for the purposes of paragraph (6) so much of any qualifying liability as represents payment in respect of services rendered before the adoption of the contract.
- (9) For the purposes of paragraphs (7) and (8)—
- (a) wages or salary payable in respect of a period of holiday or absence from work through sickness or other good cause are deemed to be wages or (as the case may be) salary in respect of services rendered in that period, and
- (b) a sum payable in lieu of holiday is deemed to be wages or (as the case may be) salary in respect of services rendered in the period by reference to which the holiday entitlement arose.

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- (10) In paragraph (9)(a), the reference to wages or salary payable in respect of a period of holiday includes any sums which, if they had been paid, would have been treated for the purposes of the statutory provisions relating to social security as earnings in respect of that period.”

Marginal Citations

M1 [S.I. 1989/2405 \(N.I. 19\)](#).

- 2 (1) Article 54 of the Insolvency (Northern Ireland) Order 1989 (personal liability of administrative receiver for certain contracts) shall be amended as follows.
- (2) In paragraph (1)(b) (liability for contracts of employment adopted in carrying out his functions) after “provides) and” there shall be inserted “, to the extent of any qualifying liability, ”.
- (3) After paragraph (2) there shall be inserted—
- “(2A) For the purposes of paragraph (1)(b), a liability under a contract of employment is a qualifying liability if—
- (a) it is a liability to pay a sum by way of wages or salary or contribution to an occupational pension scheme,
 - (b) it is incurred while the administrative receiver is in office, and
 - (c) it is in respect of services rendered wholly or partly after the adoption of the contract.
- (2B) Where a sum payable in respect of a liability which is a qualifying liability for the purposes of paragraph (1)(b) is payable in respect of services rendered partly before and partly after the adoption of the contract, liability under paragraph (1)(b) shall only extend to so much of the sum as is payable in respect of services rendered after the adoption of the contract.
- (2C) For the purposes of paragraphs (2A) and (2B)—
- (a) wages or salary payable in respect of a period of holiday or absence from work through sickness or other good cause are deemed to be wages or (as the case may be) salary in respect of services rendered in that period, and
 - (b) a sum payable in lieu of holiday is deemed to be wages or (as the case may be) salary in respect of services rendered in the period by reference to which the holiday entitlement arose.
- (2D) In paragraph (2C)(a), the reference to wages or salary payable in respect of a period of holiday includes any sums which, if they had been paid, would have been treated for the purposes of the statutory provisions relating to social security as earnings in respect of that period.”
- 3 The preceding provisions shall have effect in relation to contracts of employment adopted on or after 15th March 1994.

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SCHEDULE 2

Section 5.

REPEALS

| Chapter | Short title | Extent of repeal |
|---------------------------|---|---|
| 1986 c. 45. | The Insolvency Act 1986. | In section 19(5), the words “or contracts of employment adopted”. |
| S.I. 1989/2405 (N.I. 19). | The Insolvency (Northern Ireland) Order 1989. | In Article 31(5), the words “or contracts of employment adopted” and the words from “and for the purpose” to the end. |

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