



Employment Rights Act 1996

1996 CHAPTER 18

PART XII

INSOLVENCY OF EMPLOYERS

183 Insolvency.

- (1) An employer has become insolvent for the purposes of this Part—
 - (a) where the employer is an individual, if (but only if) subsection (2) is satisfied, and
 - (b) where the employer is a company, if (but only if) subsection (3) is satisfied.
- (2) This subsection is satisfied in the case of an employer who is an individual—
 - (a) in England and Wales if—
 - (i) he has been adjudged bankrupt or has made a composition or arrangement with his creditors, or
 - (ii) he has died and his estate falls to be administered in accordance with an order under section 421 of the ^{M1}Insolvency Act 1986, and
 - (b) in Scotland if—
 - (i) sequestration of his estate has been awarded or he has executed a trust deed for his creditors or has entered into a composition contract, or
 - (ii) he has died and a judicial factor appointed under section 11A of the ^{M2}Judicial Factors (Scotland) Act 1889 is required by that section to divide his insolvent estate among his creditors.
- (3) This subsection is satisfied in the case of an employer which is a company—
 - (a) if a winding up order or an administration order has been made, or a resolution for voluntary winding up has been passed, with respect to the company,
 - (b) if a receiver or (in England and Wales only) a manager of the company's undertaking has been duly appointed, or (in England and Wales only) possession has been taken, by or on behalf of the holders of any debentures secured by a floating charge, of any property of the company comprised in or subject to the charge, or

Status: Point in time view as at 01/08/1998. This version of this provision has been superseded.

Changes to legislation: Employment Rights Act 1996, Section 183 is up to date with all changes known to be in force on or before 03 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (c) if a voluntary arrangement proposed in the case of the company for the purposes of Part I of the ^{M3}Insolvency Act 1986 has been approved under that Part of that Act.

Marginal Citations

M1 1986 c. 45.

M2 1889 c. 39.

M3 1986 c. 45.

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