



Employment Protection (Consolidation) Act 1978

1978 CHAPTER 44

PART VII

INSOLVENCY OF EMPLOYER

125 Transfer to Secretary of State of rights and remedies

- (1) Where, in pursuance of section 122, the Secretary of State makes any payment to an employee in respect of any debt to which that section applies—
- (a) any rights and remedies of the employee in respect of that debt (or, if the Secretary of State has paid only part of it, in respect of that part) shall, on the making of the payment, become rights and remedies of the Secretary of State; and
 - (b) any decision of an industrial tribunal requiring an employer to pay that debt to the employee shall have the effect that the debt or, as the case may be, that part of it which the Secretary of State has paid, is to be paid to the Secretary of State.
- (2) There shall be included among the rights and remedies which become rights and remedies of the Secretary of State in accordance with subsection (1)(a) any right to be paid in priority to other creditors of the employer in accordance with—
- (a) section 33 of the Bankruptcy Act 1914;
 - (b) section 118 of the Bankruptcy (Scotland) Act 1913 ; and
 - (c) section 319 of the Companies Act 1948,
- and the Secretary of State shall be entitled to be so paid in priority to any other unsatisfied claim of the employee; and in computing for the purposes of any of those provisions any limit on the amount of sums to be so paid any sums paid to the Secretary of State shall be treated as if they had been paid to the employee.
- (3) Where in pursuance of section 123 the Secretary of State makes any payment into the resources of an occupational pension scheme in respect of any contributions to the

Status: This is the original version (as it was originally enacted).

scheme, any rights and remedies in respect of those contributions belonging to the persons competent to act in respect of the scheme shall, on the making of the payment, become rights and remedies of the Secretary of State.

- (4) Any sum recovered by the Secretary of State in exercising any right or pursuing any remedy which is his by virtue of this section shall be paid into the Redundancy Fund.