

*Status: Point in time view as at 06/04/2008.*

*Changes to legislation: Insolvency Act 1986, Cross Heading: Interpretation for Category 5 is up to date with all changes known to be in force on or before 09 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)*

## SCHEDULES

### SCHEDULE 6

#### THE CATEGORIES OF PREFERENTIAL DEBTS

##### Modifications etc. (not altering text)

- C1** Sch. 6 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by [Banking Act 2009 \(c. 1\)](#), **ss. 103**, 263(1)(2) (with s. 247); S.I. 2009/296, **arts. 2, 3**, Sch. para. 2
- C1** Sch. 6 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by [Banking Act 2009 \(c. 1\)](#), **ss. 145**, 263(1)(2) (with s. 247); S.I. 2009/296, **arts. 2, 3**, Sch. para. 3

##### *Interpretation for Category 5*

- 13 (1) For the purposes of paragraphs 9 to 12, a sum is payable by the debtor to a person by way of remuneration in respect of any period if—
- (a) it is paid as wages or salary (whether payable for time or for piece work or earned wholly or partly by way of commission) in respect of services rendered to the debtor in that period, or
  - (b) it is an amount falling within the following sub-paragraph and is payable by the debtor in respect of that period.
- [<sup>F1</sup>(2) An amount falls within this sub-paragraph if it is—
- (a) a guarantee payment under Part III of the Employment Rights Act 1996 (employee without work to do);
  - (b) any payment for time off under section 53 (time off to look for work or arrange training) or section 56 (time off for ante-natal care) of that Act or under section 169 of the Trade Union and Labour Relations (Consolidation) Act 1992 (time off for carrying out trade union duties etc.);
  - (c) remuneration on suspension on medical grounds, or on maternity grounds, under Part VII of the Employment Rights Act 1996; or
  - (d) remuneration under a protective award under section 189 of the Trade Union and Labour Relations (Consolidation) Act 1992 (redundancy dismissal with compensation).]

##### Textual Amendments

- F1** Sch. 6 para. 13(2) substituted (22.8.1996) by [1996 c. 18](#), **ss. 240, 243**, **Sch. 1 para. 29** (with **ss. 191-195, 202**)

- 14 (1) This paragraph relates to a case in which a person's employment has been terminated by or in consequence of his employer going into liquidation or being adjudged bankrupt or (his employer being a company not in liquidation) by or in consequence of—

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- (a) a receiver being appointed as mentioned in section 40 of this Act (debenture-holders secured by floating charge), or
  - (b) the appointment of a receiver under section 53(6) or 54(5) of this Act (Scottish company with property subject to floating charge), or
  - (c) the taking of possession by debenture-holders (so secured), as mentioned in [<sup>F2</sup>section 754 of the Companies Act 2006] .
- (2) For the purposes of paragraphs 9 to 12, holiday remuneration is deemed to have accrued to that person in respect of any period of employment if, by virtue of his contract of employment or of any enactment that remuneration would have accrued in respect of that period if his employment had continued until he became entitled to be allowed the holiday.
- (3) The reference in sub-paragraph (2) to any enactment includes an order or direction made under an enactment.

#### **Textual Amendments**

**F2** Words in Sch. 6 para. 14(1)(c) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), [Sch. 1 para. 104](#) (with arts. 6, 11, 12)

- 15 Without prejudice to paragraphs 13 and 14—
- (a) any remuneration payable by the debtor to a person in respect of a period of holiday or of absence from work through sickness or other good cause is deemed to be wages or (as the case may be) salary in respect of services rendered to the debtor in that period, and
  - (b) references here and in those paragraphs to remuneration in respect of a period of holiday include any sums which, if they had been paid, would have been treated for the purposes of the enactments relating to social security as earnings in respect of that period.

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