

## SCHEDULES

### SCHEDULE 3

#### PREFERRED DEBTS

#### PART II

##### INTERPRETATION OF PART I

##### *Meaning of " the relevant date "*

- 7 In Part I of this Schedule " the relevant date " means—
- (a) in relation to a debtor (other than a deceased debtor), the date of sequestration ; and
  - (b) in relation to a deceased debtor, the date of his death.

##### *Periods to which value added tax referable*

- 8 (1) For the purpose of paragraph 2(1) of Part I of this Schedule—
- (a) where the whole of the prescribed accounting period to- which any value added tax is attributable falls within the period of six months next before the relevant date ( " the relevant period " ), the whole amount of that tax shall be referable to the relevant period ; and
  - (b) in any other case the amount of any value added tax which shall be referable to the relevant period shall be the proportion of the tax which is equal to such proportion (if any) of the accounting reference period in question as falls within the relevant period.
- (2) In sub-paragraph (1) above " prescribed accounting period" has the same meaning as in the Value Added Tax Act 1983.

##### *Amounts payable by way of remuneration*

- 9 (1) For the purposes of paragraph 5 of Part I of this Schedule 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 sub-paragraph (2) below and is payable by the debtor in respect of that period.
- (2) An amount falls within this sub-paragraph if it is—
- (a) a guarantee payment under section 12(1) of the Employment Protection (Consolidation) Act 1978 (employee without work to do for a day or part of a day),

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*Status: This is the original version (as it was originally enacted).*

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- (b) remuneration on suspension on medical grounds under section 19 of that Act,
  - (c) any payment for the time off under section 27(3) (trade-union duties), 31(3) (looking for work, etc.) or 31A(4) (antenatal care) of that Act,
  - (d) statutory sick pay under Part I of the Social Security and Housing Benefits Act 1982,
  - (e) remuneration under a protective award made by an industrial tribunal under section 101 of the Employment Protection Act 1975 (redundancy dismissal with compensation).
- (3) For the purposes of paragraph 5(2) of Part I of this Schedule, holiday remuneration shall be deemed, in the case of a person whose employment has been terminated by or in consequence of the award of sequestration of his employer's estate, to have accrued to that person in respect of any period of employment if, by virtue of that person's contract of employment or of any enactment (including an order made or direction given under any enactment), that remuneration would have accrued in respect of that period if that person's employment had continued until he became entitled to be allowed the holiday.
- (4) Without prejudice to the preceding provisions of this paragraph—
- (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 in this paragraph to remuneration in respect of a period of holiday include references to any sums which, if they had been paid, would have been treated for the purposes of the enactments relating to social services as earnings in respect of that period.

#### *Transitional Provisions*

- 10 Regulations under paragraph 5 or 6 of Part I of this Schedule may contain such transitional provisions as may appear to the Secretary of State necessary or expedient.