

## FAQ for employees whose employer goes into Administration

Following the recent announcements, this frequently asked questions document has been produced in an attempt to provide you with as much information in the time period available.

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Questions?	Answers
<b>What does 'going into administration' mean?</b>	Going into administration means the Company is being taken under the management of an administrator (a licensed insolvency practitioner). The administrator assumes control of the Company from the current Directors and will manage the business from this point onwards.
<b>As my employer can't pay my redundancy pay, what should I do?</b>	<p>Because your employer is insolvent, it cannot pay you amounts that may be due to you as a result of your redundancy. There is a claims process which is administered by the Redundancy Payments Service ('RPS') and details of the process and how to make your claim can be found at <a href="http://www.gov.uk">www.gov.uk</a>.</p> <p>You will receive a formal letter from the administrators confirming your redundancy.</p> <p>The Administrators' have instructed a specialist employee services firm, Clumber Consultancy Limited ("Clumber") who will be working with your HR team to gather information to provide to the RPS. Clumber will also write to you separately providing all the information you will need in making your claim to the RPS including the unique case reference number (beginning CN) within 7 days from the date of your redundancy.</p> <p>If you have recently moved or if you are unsure whether your correct address is held in Company records, please contact HR or <a href="mailto:uk_asl_employees@pwc.com">uk_asl_employees@pwc.com</a> providing your NI Number, old address and new address details.</p>
<b>How do I claim my statutory payments from the RPS?</b>	<p>You can make your claim by using the Redundancy Payments Online service. More details can be found on the government website by using the following link Redundancy Payments Service fact sheet at <a href="http://www.gov.uk">www.gov.uk</a>.</p> <p>If you need help with the online form, or if you do not have internet access and so need to make your claim over the phone, please contact the <b>RPS on 0330 331 0020</b>.</p> <p>Before you can make your claim, you will need to receive the unique case reference number mentioned above which will associate your claim to the Company which made you redundant. Clumber will provide this reference number to you within a letter and post to your home address.</p> <p>Details of the information that you'll need to make your claim can be found at <a href="https://www.gov.uk/claim-redundancy">https://www.gov.uk/claim-redundancy</a></p>

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**What can I claim from the RPS as a result of my redundancy?**

As the Company which employed you is insolvent, it can't pay you for amounts owed to you under the terms of your Contract of Employment which might include notice pay, redundancy pay, unpaid wages up to the date of Insolvency and pay in lieu of holiday accrued but not taken.

The RPS will consider claims for statutory payments, more details of which can be found at:

<https://www.gov.uk/claim-redundancy>

All claims paid by the RPS are paid up to the current statutory maximum weekly rate of pay, which is paid currently at £643.00. More information about the claims process can be found at:

<https://www.gov.uk/your-rights-if-your-employer-is-insolvent/after-you-apply>

What you may be paid by the RPS depends on your circumstances. The RPS can pay:

- Statutory Redundancy pay: if you've worked for your employer for at least 2 years,
- Holiday pay accrued but not taken in the current holiday year,
- Unpaid wages, overtime and commission and;
- Compensation for failure to receive statutory notice (if you've worked for your employer for at least 1 month).

You can find further information regarding what you can / can't claim from the RPS on the gov.uk website (link below):

[Explaining your redundancy payments-GOVUK](#)

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**What about my wages that I am owed for March?**

As detailed above, any wages that you have accrued and not been paid up to the administration date will need to be claimed from the RPS. Arrears of wages are paid up to the current statutory maximum weekly rate of pay, which is paid currently at £643.00.

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**If the RPS does not pay my claim in full, what happens?**

You will be a Creditor of the Company. Employee creditor claims can be either unsecured claims or preferential claims.

Preferential claims would include unpaid wages up to £800 (and subject to a time limit) as well as all pay in lieu of holiday accrued. Any claims which are not preferential claims, will be unsecured claims. Further details regarding creditor claims are below.

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**What does it mean if I am a creditor of the Company?**

There are three main types of creditor:

**Secured creditors** have security registered at Companies House. When the secured creditor has a **fixed/standard** charge over an asset, the secured creditor will be paid out of the realisations from that specific asset, after the costs of realising the asset have been deducted.

**Preferential creditors** primarily consist of employees for arrears of wages, accrued holiday pay, unpaid contributions to occupational pension schemes and state scheme premiums, all within certain limits. As of December 2020 this will also include certain aspects of HMRC's claim, these claims will rank as secondary preferential claims (paid after the

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employees claims) and consist of the VAT, PAYE and NIC deductions. Preferential creditors rank ahead of all other creditors when realisations are achieved from assets where there is no fixed charge registered.

**Unsecured creditors** are all other 'creditors who are owed monies' (with the exception of shareholders/members). Unsecured creditors rank below preferential and secured creditors.

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**How much will my creditor claim be if I am made redundant?**

Although the Redundancy Payments Service ("RPS") will pay statutory amounts to redundant employees, it may be that the amount you receive is less than your entitlements under your Contract of Employment. This might be because:

- the amount of a week's pay is greater than the current statutory maximum rate applied by the RPS;
  - your contractual notice is greater than the statutory entitlement;
  - or because you have a contractual entitlement to an enhanced redundancy payment.
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**How soon after being made redundant can I make my claim as a creditor?**

Other than letting us know if you change your address or contact details, you don't need to take any action to make your claim as a creditor. If there are funds to share amongst creditors, we and/or Clumber will contact you to agree your claim amount.

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**Will you calculate my claim for me or do I have to work out the amount of my claim?**

We and/or Clumber will calculate your contractual entitlements as well as showing any gross amounts paid to you by the RPS to arrive at your residual claim amount.

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**How can I lodge a claim against the Company for amounts owed to me?**

Unless we and/or Clumber tell you otherwise, we will calculate the amount of your claim based on your Contract of Employment and information provided by the Redundancy Payments Service. Your calculated claim will be sent to you by post with guidance on action that you need to take and by when.

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**What information will I need to provide to support my creditor claim should I disagree with the calculated claim?**

If you disagree with our calculations of your claim you may be asked to provide evidence to support your claim. This could be your Contract of Employment, payslips or other documents in your possession.

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**How and when will you contact me regarding my creditor claim?**

We will only contact you regarding your claim if there is money to be shared between the creditors. Updates on the dividend prospects will be included in our 6 monthly progress report.

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**Will tax and national insurance be deducted from my dividend payment?**

We will comply with HMRC guidance when calculating the amount to be paid to you. Any tax and national insurance deductions are paid to HMRC when any dividend payment is made. If you believe that tax and/or national insurance has been deducted in error, please speak to HMRC to discuss how a refund can be processed. We will be unable to deal with any queries or refund any deductions made.

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<b>Will payment be made directly into my bank account or do you need to send me a cheque?</b>	Any dividend payment due to you may be made either by cheque or into the bank account details provided from the Company's records, therefore should you require your payment to be made into a different bank account, or your personal details change i.e you move address or you have a change of name, it will be your responsibility to keep us informed of any such changes.
<b>If I make a claim to the Redundancy Payments Service, will they become a creditor for amounts paid to me?</b>	Yes, the RPS will make a claim for amounts paid to you. Their claims will either be preferential or unsecured, depending on what their claim is for. You can find more information about how and what you can claim from the RPS using the following link: <a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/100000/redundancy_payments_service_fact_sheet.pdf">Redundancy Payments Service fact sheet at www.gov.uk</a>
<b>What information can creditors expect to receive from you?</b>	As administrators we have to prepare and send out our proposals setting out how we intend to achieve the purpose of administration within eight weeks of our appointment. Our proposals will be circulated via publication on this website. The administrators are also required to provide a written update on the administrations to all known creditors every 6 months. This report will be sent within one month of every 6 month anniversary or earlier if an administrator vacates office or an extension to the administration is granted.
<b>What are my rights as a creditor and where can I find further information in relation to the administrators fees?</b>	You can find information on the administrators fees and your rights at: <a href="https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2021/administration-creditor-fee-guide-1-april-2021.ashx?la=en">https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2021/administration-creditor-fee-guide-1-april-2021.ashx?la=en</a> Please email <a href="mailto:uk_asl_employees@pwc.com">uk_asl_employees@pwc.com</a> if you'd like a paper copy free of charge or have any questions.
<b>Can I opt out of receiving information as a creditor?</b>	Creditors have the right to elect to opt out of receiving certain documents about insolvency proceedings. Any election to opt out will not affect a creditor's entitlement to receive dividends, should any be paid to creditors. Any formal opt out request should be emailed to <a href="mailto:uk_asl_employees@pwc.com">uk_asl_employees@pwc.com</a>
<b>How do I tell you if I have concerns about how the Company was managed?</b>	One of our duties is to look at the actions of anybody who has been a director of the Company in the three years before our appointment. We also have to decide whether any action should be taken against anyone to recover or contribute to the Company's assets. If you think there is something we should know about, please contact us at <a href="mailto:uk_asl_employees@pwc.com">uk_asl_employees@pwc.com</a>  This is part of our normal work and doesn't necessarily imply any criticism of the directors' actions.
<b>What other support is available to me?</b>	General queries, employment rights - <a href="http://www.gov.uk">www.gov.uk</a> Statutory Maternity Pay or Sick Pay – Statutory Payments Disputes 0300 200 3200 Claiming benefits – Jobcentre Plus 0800 055 6688 Tax Credit Helpline – HMRC 0345 300 3900 Money Advice Service – 0800 138 7777 <a href="http://www.moneyadvice.org.uk">www.moneyadvice.org.uk</a>

*Helen Wheeler-Jones, Edward Williams and Peter Dickens have been appointed as Joint Administrators of Alucraft Systems Limited to manage its affairs, business and property, and act without personal liability. All are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.*

*The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at:  
<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>*

*The Joint Administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Administrators.*