

Kilgraston School Trust (“the School”)

FAQ for employees whose employer is placed into Sequestration

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.

| Questions? | Answers |
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| What does ‘going into Sequestration’ mean? | Going into Sequestration means the Trust’s estate falls to an appointed Trustee (a licensed insolvency practitioner) to administer for the benefit of creditors. The Trustee assumes control of the School from the current trustees and will manage the business of the School from this point onwards. Sequestration is one of a number of insolvency processes. |
| What is a Trustee in Bankruptcy? | A Trustee is an officer of the Court and is qualified to manage the affairs of a debtor or an unincorporated business when it is insolvent. It is their role to take control and wind-down the trust’s affairs. The function of the Trustee is to realise and then distribute all available assets in the bankrupt’s estate in accordance with the law. |
| As my employer can’t pay my redundancy pay, what should I do? | <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 https://www.gov.uk/claim-redundancy</p> <p>You will receive a formal letter from the Trustee confirming your redundancy within 7 working days from the date of your redundancy. Contained within this letter will be all the information you will need to make your claim to the RPS, including a unique case reference number (beginning CN), that you will need to access the RPS online claims portal.</p> <p>If you have recently moved or if you are unsure whether your correct address is held in School’s records, please contact HR or uk_kilgraston_employees@pwc.com, providing your NI Number, old address and new address details.</p> |
| How do I claim my statutory payments from the RPS? | <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 https://www.gov.uk/claim-redundancy</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 RPS on 0330 331 0020.</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 School which made you redundant. This will be provided to you within your redundancy letter and sent to you as soon as possible.</p> <p>In order that your claim can be reviewed and considered for payment by the RPS, please ensure that as soon as you receive your redundancy letter with the unique CN reference number, you complete your online claim form in order that the RPS can process your claim and make payment promptly.</p> |

Details of the information that you'll need to make your claim can be found at <https://www.gov.uk/claim-redundancy>

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

As the School 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 £700.00. 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](#)

I'm on maternity / paternity leave. Can I still make a claim for statutory maternity pay (SMP)?

Yes. Your claim will be based on your contractual rate of pay. However, for any outstanding SMP due to you or future payments that you are entitled to claim, you will need to contact HMRC on 0300 322 9422 and advise them that you have been made redundant and that the School is no longer able to make payment to you for SMP.

I'm on sick leave. Can I still make a claim through the RPS?

A claim can be made to the RPS. However, additional information will be required / be asked by the RPS to determine whether a claim will qualify for payment.

What contact am I likely to receive from the RPS after I make my initial claim?

You will initially receive an automated email acknowledgement of your claim being made. You will then be provided with a personalised claim reference number (LN reference). Your LN reference will be provided when either, an element of your claim has been approved for payment or, an element of your claim has been rejected, or when your statutory notice period has expired.

Accordingly, employees will receive their LN reference numbers at different stages to each other throughout the process. If you indicated on your initial claim that you have a claim for notice pay, the RPS will write to you (either by

post or email) at the end of your statutory notice period, telling you how to make your claim. You will need your LN reference number when making your online claim for statutory notice pay.

Will I receive settlement of all my claims from the RPS at the same time?

No. The RPS has a different department to process each category of claim (i.e. arrears of pay, holiday pay, redundancy and notice pay). It is therefore likely that each element of your claim will be settled at different times. Your notice pay is likely to be the last element of your claim that is paid, as this will not be considered until the end of your notice period, which could be up to 12 weeks after you were made redundant.

How can I contact the RPS?

The RPS can be contacted by telephone on 0330 331 0020 or by email redundancypaymentsonline@insolvency.gov.uk. You should have your CN reference number, National Insurance number and if appropriate, your LN reference number when contacting the RPS.

What should I do if I disagree with what the RPS has paid me?

In the first instance, you should contact us at uk_kilgraston_employees@pwc.com as soon as possible. You may be asked to provide additional evidence you hold to support your claim (e.g. copy payslips, contract of employment etc.). You may then be advised to contact the RPS to seek amendments to your original claim.

I'm not a UK National, can I still make a claim?

If you have a UK National Insurance number and are paid through the School's PAYE scheme, a claim can be submitted for consideration by the RPS.

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

You will be a Creditor of the School. 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.

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

There are three main types of creditor:

Secured creditors have security registered. 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 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? | <p>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:</p> <ul style="list-style-type: none">• 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. |
| How soon after being made redundant can I make my claim as a creditor? | <p>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 will contact you to agree your claim amount.</p> |
| Will you calculate my claim for me or do I have to work out the amount of my claim? | <p>We 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.</p> |
| How can I lodge a claim against the School for amounts owed to me? | <p>Unless we 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.</p> |
| What information will I need to provide to support my creditor claim should I disagree with the calculated claim? | <p>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.</p> |
| How and when will you contact me regarding my creditor claim? | <p>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.</p> |
| Will tax and national insurance be deducted from my dividend payment? | <p>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.</p> |
| Will payment be made directly into my bank account or do you need to send me a cheque? | <p>Any dividend payment due to you may be made either by cheque or into the bank account details provided from the School'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.</p> |

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| If I make a claim to the Redundancy Payments Service, will they become a creditor for amounts paid to me? | 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: Redundancy Payments Service fact sheet at www.gov.uk |
| What are my rights as a creditor and where can I find further information in relation to the Trustee in Bankruptcy's fees? | You can find information on the Trustee's fees and your rights at: https://www.icas.com/data/assets/pdf_file/0004/292243/Creditors-Guide-to-remuneration-of-Trustees-in-Bankruptcy-Scotland.pdf Please email uk_kilgraston_employees@pwc.com if you'd like a paper copy free of charge or have any questions. |
| Can I opt out of receiving information as a creditor? | 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 uk_kilgraston_creditors@pwc.com . |
| How do I tell you if I have concerns about how the School was managed? | If you think there is something we should know about, please contact us at uk_kilgraston_creditors@pwc.com . This is part of our normal work and doesn't necessarily imply any criticism of the trustees or Schools management. |
| What other support is available to me? | General queries, employment rights - www.gov.uk Statutory Maternity Pay or Sick Pay – Statutory Payments Disputes 0300 322 9422 Claiming benefits – Jobcentre Plus 0800 055 6688 Tax Credit Helpline – HMRC 0345 300 3900 Money Advice Service – 0800 138 7777 www.moneyadvice.org.uk |

Sarah O'Toole is licensed in the United Kingdom to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England and Wales.

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

The Trustee in Bankruptcy may act as controller 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 Trustee in Bankruptcy's. Personal data will be kept secure and processed only for matters relating to the Trustee in Bankruptcy's appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Trustee in Bankruptcy.