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DEAR INSOLVENCY PRACTITIONER

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Dear Reader

Please find enclosed the latest articles from the Insolvency Service and HMRC.

In this issue:

Information/Notes page(s):

Chapter 11	Employment Issues
Article 80	Changes to how RPS manages pre-appointment cases

80) Changes to how Redundancy Payment Service manages pre-appointment cases

The Redundancy Payment Service (RPS) is seeking to streamline its working process for pre-appointment notifications, which will benefit all parties – the RPS, Insolvency Practitioners and employees. To do this, RPS will be strictly enforcing the current guidance for case set-up.

Requests for case set-up should not be made more than 7 days before the first dismissal (unless it is a high-profile case), and requests received prior to this, or without an expected insolvency date, will be rejected.

In addition, RPS will close a pre-appointment case if it does not receive any contact or updates from the intended office-holder within 10 working days of setting-up the case.

RPS is making this change to reduce any potential opportunities for fraud, better meet customer expectations and minimize the pressure on IT resources.

Pre-appointment cases that do not enter formal insolvency within a reasonable time (or at all) can impact the timeframes RPS promises to customers, and leaves hundreds of redundant cases.

Going forward, the RPS will not issue case reference numbers before the insolvency date. This is to limit:

- employee confusion and claims being put in before employees have had the correct information from the office-holder,
- claims being withdrawn and amended – creating additional work and contact for the RPS and Insolvency Practitioners,
- employees receiving overpayments,
- significant delays in employees receiving the correct payments while we wait for payroll information,
- employees contacting the Insolvency Practitioners with questions and asking to update and amend their claims.

If employees attempt to submit claims prior to the insolvency date, they will see an error message stating ‘The case reference number does not match an insolvent company. You can only apply for redundancy payments after a company has become insolvent.’

RPS will monitor this new process to assess its impact on resources.

Enquiries regarding this article may be sent to
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