

General Information	
Ministerial Decision Type	Drafting Instructions: Subordinate Legislation (Regulations/Order)
Report Title	Drafting Instructions: amendment to Bankruptcy (Désastre) (Jersey) Order 2006 to increase the prescribed limits for certain priority claims.
Minister	Chief Minister
Signatory	Minister
Lead Department	Economy
Lead Directorate	Financial Services (Economy)
Ministerial Decision Summary: Public or <a href="#">Absolutely/Qualified</a> Exempt	Public Select if more than one Absolutely/Qualified Exemption.
Date decision made if different to date 'Ministerial Decision Summary' signed.	Select date.
Report and Supplemental Report Details	
Report Author	Associate Director
Date of Report	28/09/2023
Supplementary Report Title <i>(If applicable)</i>	Insert Supplemental Report Title.
Supplementary Report Author <i>(If applicable)</i>	Insert Official Title Only.
Date of Supplementary Report <i>(If applicable)</i>	Select Date of Supplemental Report.
Ministerial Decision Report: Public or <a href="#">Absolutely/Qualified</a> Exempt	Public Select if more than one Absolutely/Qualified Exemption.
Relevant Case/Application/URN <i>(Only complete if making a decision related to an appeal/case/application)</i>	Insert Relevant Case/Application.
Relevant Proposition Number <i>(Only complete if presenting Comments or if lodging an Amendment)</i>	Insert P. number.
Relevant Scrutiny Report <i>(Only complete if presenting a ministerial response)</i>	Insert S.R. number.
Associated Law(s) and/or Subordinate Legislation	Bankruptcy (Désastre) (Jersey) Law 1990; Bankruptcy (Désastre) (Jersey) Order 2006
Action required if recommendation agreed	Principal Legislative Drafter to be requested to draft legislation.

Resource Implications	There are no new financial and/or manpower implications.
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### Introduction

To increase the prescribed limits for certain priority claims, namely (a) wages and salary and (b) holiday pay and bonuses under Article 32 of the Law, by application of the RPI Index to the relevant figures.

### Recommendation

To request the Principal Legislative Drafter to draft the necessary legislation.

Only insert text if 'Other' selected above.

### Detail

Article 32 of the Law sets out how any proceeds realised as a result of the désastre process are to be distributed. In particular, once the Viscount's fees have been paid, priority is given, amongst certain other items, to claims by an employee of a bankrupt, for (a) arrears of wages and salary in the six month period immediately preceding the declaration; and (b) holiday pay and bonuses. This means that these claims will be paid first and in full (if sufficient funds are available) before any other debts are considered.

The sum to which priority is given may not exceed the prescribed amount as set out under Article 5(a) and (b) of the Order. The current limits are (a) £4,800 for wages and salary; and £1,375 for holiday pay and bonuses. The limits were last increased in 2018. Since then, inflation has increased which results in new figures of £6,309.95 and £1,807.54.

It is important to keep this figure up to date so that employees have some level of protection (so far as is possible in an insolvency situation). The recommendation from the Viscount is therefore to increase the amounts to:

Article 5(a) £6,300

Article 5(b) £1,800