

Paperchase Products Limited - in administration (the Company)

FAQ for Redundancy while in Furlough

Following the recent announcements this frequently asked questions document has been produced to provide you with answers to the questions we think you may have. If you have a question that is not covered here, please look at the other subject FAQ's, email uk_paperchase_employee@pwc.com

Questions?	Answers
What does 'going into administration' mean?	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. Administration is one of a number of insolvency processes.
What is an administrator?	An administrator is an officer of the Court and is qualified to manage the affairs of a business when it is insolvent. It is their role to take control of a company's affairs when it is in financial difficulty and try to find a longer term solution for it. The administrators act as agents of the company and without personal liability.
Why have the administrators been appointed?	<p>You will be aware that trading throughout 2020 has been challenging for the Company on account of the various lockdowns, with many colleagues being furloughed up to four times in the last 10 months. In addition, the closures in November and the run up to Christmas proved particularly damaging.</p> <p>As the country faces further restrictions for potentially some months to come, regrettably the Directors had to take the very difficult decision to appoint administrators of Paperchase Products Limited.</p>
Why can't I remain on furlough rather than be made redundant?	In line with Government guidance and the rules, a company can only continue to apply for furlough funding if they believe there is a reasonable prospect that there will be a role for you to return to. It has unfortunately been identified that there's no longer a requirement for your role and so, you are unable to remain on furlough.
What money can I get to replace my furlough pay?	You should apply for Job Seekers Allowance and there may well be other benefits you are entitled to claim. Please note the Government will not normally back date claims, so you should apply at your earliest opportunity. More information can be found here Redundancy: help finding work and claiming benefits
What are my rights when I am made redundant?	You will receive confirmation of your redundancy and details of how and what you can claim from the RPS. You can also access the RPS Fact Sheet at www.pwc.co.uk/paperchase . You will be provided with a 'CN' number to use when you apply for money you're owed. This will be in your redundancy letter.

How do I get my redundancy pay and other amounts owed to me as a result of my redundancy?

You are eligible to apply for payments from the Redundancy Payments Service (“RPS”) because you’ve been made redundant. Please read this [Factsheet: what to do when you’ve been made redundant](#) which explains how to claim. You must have 2 years of service to be eligible for a statutory redundancy pay.

What can I claim from the Redundancy Payments Service?

As the Company which employed you is insolvent, it can’t pay you for amounts owed to you.

What you can apply for from 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 (where the payment made on 25 January hasn’t included amounts owed), and;
- Compensation for failure to receive statutory notice : if you’ve worked for your employer for at least 1 month.

If the RPS payment is less than the entitlements outlined under the terms of your Contract of Employment, you will become a creditor for these remaining amounts. You can find out more information on the creditor FAQ on the PwC website www.pwc.co.uk/paperchase

What are the RPS pay limits?

There are limits to how much the RPS can pay for each type of payment. These caps are different to the caps within the Coronavirus Job Retention Scheme.

- The weekly maximum pay limit for holiday, pay in lieu of notice and redundancy is £538 per week
- The limit to notice pay is one week of pay per full year of service up to a maximum of 12 weeks pay.
- redundancy pay is calculated in line with length of service and age at the time of redundancy. You can calculate this yourself here <https://www.gov.uk/calculate-your-redundancy-pay>

If you are owed more than the maximum the RPS can pay, you can register as a creditor in the administration for any outstanding money you’re owed and make a claim against the Company.

Will my redundancy, notice and holiday pay that’s owed, be calculated on my furlough pay or normal pay?

These payments are calculated based on your pre-furlough average pay.

What will my rate of pay be when calculating my redundancy pay?

If you are on a set monthly salary that doesn’t change much (due to paid overtime, shifts/rotas/commission) and is generally 1/12th of your annual salary, the calculation will be 1/52th of your annual salary.

Most employees at Paperchase work on a monthly rota system and so sometimes your monthly pay will vary depending on the hours you work. For loss of notice and statutory redundancy pay, your rate of pay is based on an average of 12 weeks wages of non-furlough pay. Your holiday entitlement pay is based on an average over 52 weeks of pre-furlough pay based on the wages you would normally take home.

The Company will provide these figures to the administrator.

The RPS will pay all claims up to a maximum of £538 per week of pay. e.g. if your salary is £350 per week, you will be paid at £350 per week. If your salary is £620 per week, you will be paid at £538 per week by the RPS and you'll be a creditor of the Company for any balance still owed.

Can I apply to the Redundancy Payments Service for the 20% of my salary I didn't receive while I was furloughed?

You were written to asking for your agreement to temporarily lower your salary to furlough pay. You would have signed and returned this agreement. You will then have been paid 80% of your monthly wage, up to £2,500 a month on the CJRS scheme. If you were paid this amount, you cannot apply for the difference between your furlough pay and your full salary.

What about my Pension payments?

A specialist pension team is reviewing the company policies. If you have any questions around your pension(s) please contact the provider(s).

If there are deductions that have been taken from your pay prior to the furlough and have not yet been paid to the scheme provider, these may be claimable from the RPS. The specialist pension team are reviewing the position. There is nothing for employees to do at this time.

How can I find out more about how and what I can claim as a result of my redundancy?

We have provided a series of FAQ documents which are intended to answer most of your questions. An FAQ for redundant colleagues can be found on the PwC website under the employee section www.pwc.co.uk/paperchase where you will also find useful information about the RPS claims process and how to get support from JobCentre Plus with job searching and claiming benefits.

Zelf Hussain, Rachael Wilkinson and Rob Lewis have been appointed as joint administrators of Paperchase Products Limited to manage its affairs, business and property as their agents and without personal liability. Zelf Hussain, Rachael Wilkinson and Rob Lewis 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 the 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