

27th October 2023

Committee Clerk
Economy and Fair Work Committee
The Scottish Parliament
Edinburgh
EH99 1SP

Dear Sir or Madam

Re: Bankruptcy and Diligence (Scotland) Bill 2023

Further to giving evidence to the Committee on the above Bill on Wednesday the 25th October 2023, please find below the two tables I referred to which make comparisons between the Protected Minimum Amount in Earning Arrestments under the Debtor (Scotland) Act 1987 and the UK Personal Allowance (from 1987) and also the UK Minimum Wage (from 1999).

I offered to provide these tables to the Committee and do so now.

I would like also to take this opportunity to correct three matters in relation to the evidence I provided to the Committee.

In relation to Minimum Asset Bankruptcies, these were introduced in 2015, not in 2013 as I said. What I was referencing was the fact the work to draft the Bankruptcy and Debt Advice (Scotland) Act 2014 (which introduced Minimum Asset Bankruptcies) began in 2013.

In relation to the lowest value that the Protected Minimum Amount had in relation to the Personal Allowance, this was not 5% as I stated, but 50% and this was in 2019/2020 and 2021 as shown in the table below.

Finally, I said the highest value it had when compared to the Personal Allowance was in 1985 when it represented 125% of the Personal Allowance. This was not correct. This was in 1995.

I am sorry for any misunderstanding I may have caused.

EARNING ARRESTMENT PROTECTED MINIMUM AMOUNT - COMPARISON WITH NATIONAL MINIMUM WAGE					
Year	Protected Minimum Amount (PMA)	Minimum Wage		Difference PMA v NMW	
		Hourly Amount	Monthly Amount (37 hr Wk)	Monthly Difference	As a %
1987	£152.00	Not Applicable			
1988	£152.00	Not Applicable			
1989	£152.00	Not Applicable			
1990	£152.00	Not Applicable			
1991	£152.00	Not Applicable			
1992	£152.00	Not Applicable			
1993	£152.00	Not Applicable			
1994	£152.00	Not Applicable			
1995	£273.00	Not Applicable			
1996	£273.00	Not Applicable			
1997	£273.00	Not Applicable			
1998	£273.00	Not Applicable			
1999	£273.00	£3.60	£577.20	£304.20	47.30%
2000	£273.00	£3.70	£593.23	£320.23	46.02%
2001	£304.00	£4.10	£657.37	£353.37	46.25%
2002	£304.00	£4.20	£673.40	£369.40	45.14%
2003	£304.00	£4.50	£721.50	£417.50	42.13%
2004	£304.00	£4.85	£777.62	£473.62	39.09%
2005	£304.00	£5.05	£809.68	£505.68	37.55%
2006	£370.00	£5.35	£857.78	£487.78	43.13%
2007	£370.00	£5.52	£885.04	£515.04	41.81%
2008	£370.00	£5.73	£918.71	£548.71	40.27%
2009	£415.00	£5.80	£929.93	£514.93	44.63%
2010	£415.00	£5.93	£950.78	£535.78	43.65%
2011	£415.00	£6.08	£974.83	£559.83	42.57%
2012	£460.06	£6.19	£992.46	£532.40	46.36%
2013	£460.06	£6.31	£1,011.70	£551.64	45.47%
2014	£460.06	£6.50	£1,042.17	£582.11	44.14%
2015	£494.01	£6.70	£1,074.23	£580.22	45.99%
2016	£494.01	£7.20	£1,154.40	£660.39	42.79%
2017	£494.01	£7.50	£1,202.50	£708.49	41.08%
2018	£529.90	£7.83	£1,255.41	£725.51	42.21%
2019	£529.90	£8.21	£1,316.34	£786.44	40.26%
2020	£529.90	£8.72	£1,398.11	£868.21	37.90%
2021	£529.90	£8.91	£1,428.57	£898.67	37.09%
2022	£566.51	£9.50	£1,523.17	£956.66	37.19%
2023	£655.83	£10.42	£1,670.67	£1,014.84	39.26%
			Average	£590.87	42.37%

EARNING ARRESTMENT PROTECTED MINIMUM AMOUNT - COMPARISON WITH PERSONAL ALLOWANCE					
Year	Protected Minimum Amount (PMA)	Personal Allowance (PA)		Difference PMA v PA	
		Annual Amount	Monthly PA	Monthly Difference	As a %
1987	£152.00	£2,605	£217.08	£65.08	70.02%
1988	£152.00	£2,605	£217.08	£65.08	70.02%
1989	£152.00	£2,605	£217.08	£65.08	70.02%
1990	£152.00	£2,605	£217.08	£65.08	70.02%
1991	£152.00	£2,605	£217.08	£65.08	70.02%
1992	£152.00	£2,605	£217.08	£65.08	70.02%
1993	£152.00	£2,605	£217.08	£65.08	70.02%
1994	£152.00	£2,605	£217.08	£65.08	70.02%
1995	£273.00	£2,605	£217.08	£-55.92	125.76%
1996	£273.00	£3,765	£313.75	£40.75	87.01%
1997	£273.00	£4,045	£337.08	£64.08	80.99%
1998	£273.00	£4,195	£349.58	£76.58	78.09%
1999	£273.00	£4,335	£361.25	£88.25	75.57%
2000	£273.00	£4,385	£365.42	£92.42	74.71%
2001	£304.00	£4,535	£377.92	£73.92	80.44%
2002	£304.00	£4,615	£384.58	£80.58	79.05%
2003	£304.00	£4,615	£384.58	£80.58	79.05%
2004	£304.00	£4,745	£395.42	£91.42	76.88%
2005	£304.00	£4,895	£407.92	£103.92	74.53%
2006	£370.00	£5,035	£419.58	£49.58	88.18%
2007	£370.00	£5,225	£435.42	£65.42	84.98%
2008	£370.00	£6,035	£502.92	£132.92	73.57%
2009	£415.00	£6,475	£539.58	£124.58	76.91%
2010	£415.00	£6,475	£539.58	£124.58	76.91%
2011	£415.00	£7,475	£622.92	£207.92	66.62%
2012	£460.06	£8,105	£675.42	£215.36	68.11%
2013	£460.06	£9,440	£786.67	£326.61	58.48%
2014	£460.06	£10,000	£833.33	£373.27	55.21%
2015	£494.01	10600	£883.33	£389.32	55.93%
2016	£494.01	11000	£916.67	£422.66	53.89%
2017	£494.01	11500	£958.33	£464.32	51.55%
2018	£529.90	11850	£987.50	£457.60	53.66%
2019	£529.90	12500	£1,041.67	£511.77	50.87%
2020	£529.90	12500	£1,041.67	£511.77	50.87%
2021	£529.90	12570	£1,047.50	£517.60	50.59%
2022	£566.51	12570	£1,047.50	£480.99	54.08%
2023	£655.83	12570	£1,047.50	£391.67	62.61%
			Average	£189.87	70.41%

*1995 was the only year the Protected Minimum Amount exceeded the monthly Personal Allowance.

Yours sincerely

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Managing Director



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