

information for employers

COUNCIL TAX ATTACHMENT OF EARNINGS ORDER

any further enquiries:
telephone: 01952 383985

or in writing to:
Telford & Wrekin Council, Revenues & Benefits
Addenbrooke House, Ironmasters Way, Telford TF3 4NT



1 Attachment of Earnings

1.3 Council Tax (England and Wales)

1.3.1 Introduction

Administering Council Tax Attachment of Earnings Orders

- 1.3.2 How does a Council Tax Attachment of Earnings Order (CTAEO) arise?
- 1.3.3 What does a CTAEO look like?
- 1.3.4 What duties does a CTAEO place on the employer?
- 1.3.5 How should payments to the local authority be made?
- 1.3.6 What about administration costs?
- 1.3.7 How long does the CTAEO last?
- 1.3.8 What happens if the debtor leaves my employment?
- 1.3.9 What happens if an employer doesn't comply with a CTAEO?
- 1.3.10 What about duties on employees?
- 1.3.11 What about duties on local authorities?
- 1.3.12 What do I do if there is an attachment of earnings order already in force?

Calculating deductions

- 1.3.13 What amount should an employer make a deduction against?
- 1.3.14 What are net earnings?
- 1.3.15 What are earnings?
- 1.3.16 How much should be deducted?
- 1.3.17 What if an employee is not paid in whole weeks or months?
- 1.3.18 What if more than one series of regular payments is made to an employee?
- 1.3.19 What if an employee is not paid at regular intervals?
- 1.3.20 What if an employee receives both regular and irregular payments?
- 1.3.21 What if a regular and irregular payment to an employee fall on the same day?
- 1.3.22 How should advances for holiday pay be treated?
- 1.3.23 How should other loans be treated?

Further information

- 1.3.24 Further help and advice
 - Annex A: Example of an Attachment of Earnings Order
 - Annex B: Legislation
 - Annex C: Deduction tables
 - Annex D: Regulations

1.3.1 Introduction

This chapter is broken into three parts. The first (sections 1 to 10) explains how a council tax attachment of earnings order arises, what it looks like and how to deal with it. The second part (sections 11 to 23) explains how you calculate earnings and the appropriate deductions to make. The third part (section 24 and Annexes A to C) provides further useful information.

Before the introduction of council tax in April 1993, local authorities were partly funded from April 1990 by the Community Charge ('poll tax'). There may be a very few instances where you are asked by a local authority to apply a Community Charge Attachment of Earnings Order. In the unlikely event of this happening, you should contact your local authority for advice.

Administering Council Tax Attachment of Earnings Orders

1.3.2 How does a Council Tax Attachment of Earnings Order arise?

When a local authority issues a Council Tax bill and a reminder but does not receive payment, it may apply to a magistrates' court for a summons directing a person to appear before the court to explain why the council tax has not been paid.

If non-payment is proved, the court issues a liability order for Council Tax payable, plus the costs incurred by the local authority in obtaining the liability order. Once it has obtained a liability order, the local authority has a number of options, including attachment of earnings, for recovering the amount stated in the liability order.

If it considers attachment of earnings is the appropriate course, the authority will issue a CTAEAO to the employer whom it believes has the debtor in his employment, sending a copy of the order to the debtor.

1.3.3 What does a CTAEAO look like?

The format of the order is prescribed in regulations to ensure consistency of presentation and is therefore expressed in a rather formal way. The order states the name and address of the debtor (your employee), the amount they owe and requires that deductions are calculated, in accordance with the regulations, from net earnings. The order must be sent with the prescribed deduction tables and a copy of the regulations which deal with CTAEAOs. You can find a copy of the order at Annex A and the relevant regulations at Annex B at the end of this chapter. Copies of the deduction tables can be found at Annex C.

1.3.4 What duties does a CTAEAO place on the employer?

If you receive a CTAEAO for someone who is no longer or has never been in your employment then you should inform the issuing authority within fourteen days in writing and your responsibility to do anything under the order will cease.

If the person who is the subject of the order is in your employment you should make deductions from their earnings. Sections 2.3.13 to 24 explain how you should calculate

earnings and the deductions to be made. These deductions should begin as soon as possible after the receipt of the order. The amount deducted should then be forwarded to the authority by the 19th day of the month following the month in which the deduction was made.

You must inform your employee in writing about each deduction, and of either the total deductions made under the order to date or the outstanding balance to be repaid to the authority, when they are given his pay statement. If no pay statements are usually given, you must inform them in writing as soon as possible after making the deduction. In each case you must include the amount you have deducted or will deduct towards your administrative costs for operating the order.

1.3.5 How should payments to the local authority be made?

You can pay by sending the local authority a cheque for each deduction or a lump sum cheque covering all orders in respect of your employees for an individual local authority. You should send a paper schedule with a lump sum cheque setting out the CTAE0 reference number and amount of each individual deduction within the total payment. You are not required to list CTAE0s where no deduction is due, although you may wish to do so to demonstrate there has not been an accidental omission.

The local authority will tell you if you can pay in any other way and may send you payment slips or other documentation to send with each payment. This will enable the local authority to process the payment more quickly and will ensure that the correct account is credited. Although you are not obliged to use such documentation if it is not convenient, you should always quote the amount deducted under each order and the CTAE0 reference number (you will find this on the order). This is particularly important if you are making a single payment for several orders.

Telford & Wrekin Council Payment Details

Sort Code: 30-18-55

Account Number: 55445668

Please ensure you use the correct reference (8 digit council tax account number only)

1.3.6 What about administration costs?

You may deduct £1 towards your administrative costs from your employee's earnings each time you make a deduction under a CTAE0. This amount must be included when you notify your employee about deductions made.

1.3.7 How long does the CTAE0 last?

Deductions should be made each pay day until the total amount specified on the order has been paid over to the authority or until the order is discharged by them.

1.3.8 What happens if the debtor leaves my employment?

If your employee leaves your employment, the order will lapse from the pay-day coinciding with or following termination of employment. You must notify the local authority in writing within fourteen days of the debtor leaving your employment. When the employee leaves your employment and you have notified the local authority

nothing further is required of you. The local authority will have to serve a copy of the order on the new employer that will state the amount remaining to be deducted.

1.3.9 What happens if an employer doesn't comply with a CTAE0?

A CTAE0 is a legal document and an employer could be liable for a fine if they:

- fail to comply with the order unless they can prove all reasonable steps were taken to comply
- fail to give all required notifications relating to the CTAE0
- in giving notification make a statement which they know to be false in a material particular or recklessly make a statement which is false in a material particular.

1.3.10 What about duties on employees?

Within fourteen days of being asked to do so, your employee must write to the local authority giving:

- the name and address of their employer
- the amount of their net earnings and anticipated net earnings
- their place of employment, the nature of their work, and any pay reference/works number
- your employee must also write to the local authority within fourteen days of leaving your employment, or becoming unemployed or re-employed.

Employees could be liable for a fine where they fail, without reasonable excuse, to supply information or make a statement that they know to be false in a material particular.

1.3.11 What about duties on local authorities?

An authority must tell the employer when the whole amount to which a CTAE0 relates has been paid, including when the payment was not made by means of a CTAE0.

An authority may, on its own account, or on application by the debtor or the debtor's employer, make an order discharging the CTAE0. Where a CTAE0 is discharged the authority should notify the employer.

1.3.12 What do I do if there is an attachment if earnings order already in force?

See examples at the end for full details of how to deal with multiple orders. The following examples will, however, cover most situations.

- a. If there is already a CTAE0 in place the new CTAE0 is still applied, in date sequence with the later order still being applied to the residue of earnings. However, if there are already two or more CTAE0's in payment, then no further CTAE0 can be actioned and the local authority should be notified accordingly.
- b. If there is already a community charge AEO (CCAEO) in place then the new CTAE0 is still applied, in date sequence, with the later order being applied to the residue of earnings. However, please note that, unlike part (a) above, a single CTAE0 should still be actioned irrespective of the number of CCAEO's, or other non-council tax orders, already in force.

- c. Any 1971 Act non-priority orders are to be applied (in date order) after all other orders.

Calculating deductions

1.3.13 What amount should an employer make a deduction against?

You should make a deduction against the total net earnings received by the employee.

1.3.14 What are net earnings?

For the purposes of these orders, net earnings means:

- earnings after the deduction of income tax
- primary Class 1 national insurance contributions
- superannuation contributions and
- any deduction with a higher priority

1.3.15 What are earnings?

Earnings are defined as sums payable by way of:

- wages or salary (including any fees, bonus, commission, overtime pay or other emoluments payable in addition to wages or salary payable under a contract of service)
- statutory sick pay

Earnings do not include:

- sums payable by public departments of the Government of Northern Ireland or of a territory outside the United Kingdom
- pay and allowances of members of the armed forces (other than that paid by an employer to a person as a special member of a reserve force)
- benefit or allowances payable under any enactment relating to social security (this includes statutory maternity pay, statutory paternity pay and statutory adoption pay)
- tax credits
- allowances payable in respect of disablement or disability; and
- wages payable to a person as a seaman, other than as a seaman of a fishing boat

1.3.16 How much should be deducted?

Once you have worked out your employee's net earnings, you should use the deduction tables that the local authority will send out with the CTAE0 to calculate how much should be deducted.

Working out the correct amount to deduct from net earnings will usually be straightforward. You should simply find the attachable earnings range within which the employee falls in the first column of the deduction tables (weekly or monthly as appropriate) that the local authority will send you with the CTAE0 and apply the appropriate percentage deduction rate from the second column.

If you pay your employee at intervals of whole months or weeks, but not each week or month, for example fortnightly, then you should simply divide the payment by the

number of weeks or months to which it applies, calculate the deduction as normal and then multiply the resulting amount by the number of weeks or months to arrive at the total deduction to be paid over.

Example 1: You have received a CTAE0 and you pay your employee Fortnightly

- calculate your employee's attachable earnings, e.g. £600
- divide this by two to arrive at a weekly figure i.e. £300
- identify from Table 1 (Annex C) the correct percentage deduction rate, i.e. exceeding £225 but not exceeding £355 = 12%
- calculate the amount to be deducted on a weekly basis i.e. $300 \times 0.12 = £36$
- multiply this by two to arrive at the total amount to be deducted i.e. £72 (this leaves £528)

Now:

- send the deduction of £72 to the local authority
- deduct £1, if you wish, from the remainder for making the deduction
- pay your employee the remainder, i.e. £527

1.3.17 What if an employee is not paid in whole weeks or months?

If an employee is paid at regular intervals, but not at intervals of a whole number of weeks or months, then net earnings should be divided by the number of days. The daily deductions table should then be used to work out the appropriate daily rate, which should then be multiplied by the number of days in the period.

Example 2: You have received a CTAE0 and you pay your employee on the 10th, 20th and last days of each month. The pay period is 21 – 28 February.

- calculate your employee's attachable earnings, for the pay period, e.g. £560
- find the daily attachable earnings i.e. £560 divided by 8 days = £70
- identify from Table 3 (Annex C) the correct percentage deduction rate, i.e. exceeding £52 but not exceeding £72
- calculate the amount to be deducted i.e. $70 \times 17\% = 11.90$
- multiply the deduction by eight = £95.20

1.3.18 What if more than one series of regular payments is made to an employee?

You may, for example, pay earnings to a salesperson on a weekly basis and pay them commission monthly. If this is the case, you should apply the appropriate table to work out the deduction for the series with the shortest interval between payments. This means that, if they are paid on a weekly basis but also receive a regular monthly sum, you should apply Table 1 to their weekly earnings. In addition, you should deduct 20% of the attachable earnings payable on a monthly basis.

Example 3: You have received a CTAE0 and you pay your employee weekly and monthly.

- calculate your employee's weekly attachable earnings, e.g. £200
- identify from Table 1 (Annex C), the correct percentage deduction rate, i.e. exceeding £105 but not exceeding £225
- calculate the amount to be deducted i.e. $£200 \times 7\% = £14$
- calculate your employee's monthly attachable earnings, e.g. £500
- calculate the appropriate deduction i.e. $£500 \times 20\% = £100$
- add the £14 and £100 together for payment to the local authority, deduct £1 for each deduction and pay the remaining amount to your employee

1.3.19 What if an employee is not paid at regular intervals?

If you pay your employee at irregular intervals, you should divide their attachable earnings by the number of calendar days since the last payment. You should then use Table 3 to work out the appropriate daily deductions, and multiply this figure by the number of days in the period.

Example 4: You have received a CTAE0 and you pay your employee at irregular intervals.

- calculate your employee's attachable earnings for each pay period e.g. £300 (1 April to 9 April); £700 (10 April to 20 April); £500 (21 April to 30 April)
- calculate the daily rate of attachable earnings for each pay period, i.e. $£300 \div 9 = £33.33$
 $700 \div 11 = £63.64$ and
 $500 \div 10 = £50$
- identify the correct percentage deduction rate from Table 3 (Annex C), i.e. 17% and 12% respectively.
- calculate the daily deduction rate i.e. $£33.33 \times 0.12 = £4.00$;
 $£63.64 \times 17\% = £10.82$
- $£50 \times 0.12 = £6.00$ respectively
- multiply by the number of days in the pay period to find the total deduction, i.e. $9 \times £4.00 = £36.00$;
 $11 \times £10.82 = £119.02$; and
 $£6.00 \times 10 = £60.00$ respectively

1.3.20 What if an employee receives both regular and irregular payments?

You should apply the appropriate table to regular payments made to your employee. If you also make an irregular payment to your employee but not on the same pay day as the regular payments, you should deduct 20% of the irregular payment.

Example 5: You have received a CTAE0. You pay your employee their regular monthly salary on 30 November and a Christmas bonus payment on 10 December.

- calculate your employee's attachable earnings e.g. £1,000 for the November salary and £200 for the Christmas bonus
- identify the correct percentage deduction rate from Table 2 (Annex C) for the monthly salary payment, i.e. exceeding £900 but not exceeding £1,420 = 12%
- calculate the deduction on the monthly salary i.e. $0.12 \times £1,000 = £120$
- calculate the deduction on the Christmas bonus i.e. $0.20 \times £200 = £40$

1.3.21 What if a regular and irregular payment to an employee fall on the same day?

If both a regular payment and an irregular payment fall due on the same pay-day, you should combine the two payments for the purpose of calculating a deduction and treat the combined payment as if it were a single payment made on the regular pay-day, applying the appropriate table to the whole sum.

Example 6: Facts as in Example 5 above except now the Christmas bonus is paid on 20 December at the same time as the regular monthly salaries for December

- calculate your employee's attachable earnings e.g. £1,200 for the December salary and Christmas bonus together
- identify the correct percentage deduction rate from Table 2 (Annex C) for the monthly salary payment i.e. exceeding £900 but not exceeding £1,420 = 12%
- calculate the deduction i.e. $0.12 \times £1,200 = £144$

1.3.22 How should advances for holiday pay be treated?

The amount to deduct is the aggregate of a) the amount that would have been deducted on the pay day if there had been no advance of pay; and b) the amounts that would have been deducted if the amounts advanced had been paid on the normal pay day or days.

1.3.23 How should other loans be treated?

Loans made, for example, for the purchase of a season ticket or for helping with moving house, are not advances of pay and should not be counted as earnings. The way that repayments of such loans are treated in calculating a deduction depends on the date that the CTAE0 was made:

- for calculating a deduction under a CTAE0 made on or after 1 April 1995, the AEO deduction should be based on net earnings before any loan repayment
- for CTAE0s made before 1 April 1995, net earnings should be reduced by the amount of the repayment made to the employer

Example 7: You have received a CTAE0. In addition to their weekly salary you are paying your employee two weeks' holiday pay in advance.

- calculate your employee's attachable earnings excluding the advance e.g. one week at £200
- apply from Table 1 (Annex C) the appropriate percentage deduction rate i.e. exceeding £105 but not exceeding £225 = 7%
- calculate the deduction i.e. $0.07 \times £200 = £14$
- calculate your employee's attachable earnings relating to the advance, e.g. £400 for two weeks
- divide this total equally between the future pay periods for which the advance is given, i.e. £400 divided by 2 = £200
- apply from Table 1 (Annex C) the appropriate percentage deduction rate i.e. exceeding £105 but not exceeding £225 = 7%
- calculate the deduction, i.e. $0.07 \times £200 = £14$
- multiply the weekly deduction by the number of weeks in the advance pay period, i.e. $£14 \times 2 = £28$
- pay over to the local authority the total deduction i.e. $£14 + £28 = £42$
- Note that since you are making a deduction from a single payment, only £1 maybe deducted for administration costs

1.3.24 Further help and advice

You should contact the local authority that issued the CTAE0, as they will have a great deal of experience in the operation of CTAE0s, in the first instance. If your query is about the interpretation of the regulations concerning CTAE0s then you may also want to contact the council tax policy team in the Department for Communities and Local Government.

Annex A: Example of an Attachment of Earnings Order

[Name of billing authority]
Regulation 37 of the Council Tax
(Administration and Enforcement) Regulations 1992

*[Debtor's name
and address]*

[Payroll/Works No.]

[Billing authority's reference]

To any person who has in his employment the person named above.

On *[date]* the *[name]* magistrates' court made a liability order under regulation 34 of the Council Tax (Administration and Enforcement) Regulations 1992 against the person named above in respect of an amount of which £*[amount]* is outstanding at the date of the making of this order. This order relates to the outstanding amount.

YOU ARE ORDERED by *[name of billing authority]* to make deductions from the net earnings (as defined in regulation 32 of those Regulations) of the person named above at the times and at the rate specified in regulation 38 of those Regulations. The first such deduction shall be made as soon as reasonably practicable after the service on you of a copy of this order. A copy of regulations 32 and 38, together with regulations 39 to 42 and Schedule 4, are set out at the end of this order.

YOU ARE ALSO ORDERED to pay each sum deducted to *[name of billing authority and address for payments]* within the period of 19 days beginning on the last day of the month in which the deduction was made.

Dated, 20.....

Proper officer of the authority

*Indorsement on copy sent to person appearing to have the debtor in his employment

It appears to *[name of billing authority]* that you have the above-named debtor in your employment. You must notify *[name of billing authority]* in writing within 14 days of the date of service on you of this copy of the order if you do not have the debtor in your employment. You must also notify *[name of billing authority]* in writing within 14 days of the day on which the debtor leaves your employment. Failure to do so may render you liable to a fine.

*Indorsement on copy sent to debtor

This is a copy of an attachment of earnings order served on your employer. If you leave his employment or become employed or re-employed you must notify *[name of billing authority]* in writing within 14 days, giving the particulars specified in regulation 40(1) of the Regulations mentioned in the order. Failure to do so may render you liable to a fine.

Italics indicate words or figures to be inserted.

*Delete whichever indorsement is inapplicable.

Annex B: Legislation

The powers to make Council Tax Attachment of Earnings Orders are found in the Local Government Finance Act 1992.

The rules under which Council Tax Attachment of Earnings Orders should be administered are set out in the Council Tax (Administration and Enforcement) Regulations 1992, SI No. 1992/613. These have however been amended on a number of occasions, most significantly by SI No. 1998/295.

Annex C: CTAEs made on or after 1 April 2007

Table 1 – Deductions from weekly earnings

Net earnings	Deduction rate (percentage)
Not exceeding £75	0
Exceeding £75 but not exceeding £135	3
Exceeding £135 but not exceeding £185	5
Exceeding £185 but not exceeding £225	7
Exceeding £225 but not exceeding £355	12
Exceeding £355 but not exceeding £505	17
Exceeding £505	17 in respect of the first £505 and 50% in respect of the remainder

Table 2 – Deductions from monthly earnings

Net earnings	Deduction rate (percentage)
Not exceeding £300	0
Exceeding £300 but not exceeding £550	3
Exceeding £550 but not exceeding £740	5
Exceeding £740 but not exceeding £900	7
Exceeding £900 but not exceeding £1,420	12
Exceeding £1,420 but not exceeding £2,010	17
Exceeding £2,020	17 in respect of the first £2020 and 50% in respect of the remainder

Table 3 – Deductions based on daily earnings

Net earnings	Deduction rate (percentage)
Not exceeding £11	0
Exceeding £11 but not exceeding £20	3
Exceeding £20 but not exceeding £27	5
Exceeding £27 but not exceeding £33	7
Exceeding £33 but not exceeding £52	12
Exceeding £52 but not exceeding £72	17
Exceeding £72	17 in respect of the first £72 and 50% in respect of the remainder

Annex D: Regulations

REGULATIONS 32 AND 38 TO 42 OF, AND SCHEDULE 4 TO, THE COUNCIL TAX (ADMINISTRATION AND ENFORCEMENT) REGULATIONS 1992 Interpretation and application of Part VI

32.—(1) In this Part—

“attachment of allowances order” means an order under regulation 44;

“attachment of earnings order” means an order under regulation 37;

“charging order” means an order under regulation 50;

“debtor” means a person against whom a liability order has been made;

“earnings” means sums payable to a person—

- (a) by way of wages or salary (including any fees, bonus, commission, overtime pay or other emoluments payable in addition to wages or salary or payable under a contract of service); or
- (b) by way of statutory sick pay,

but, in so far as the following would otherwise be treated as earnings, they shall not be treated as such—

- (i) sums payable by any public department of the Government of Northern Ireland or of a territory outside the United Kingdom;
- (ii) pay or allowances payable to the debtor as a member of Her Majesty’s forces;
- (iii) allowances or benefit payable under the Social Security Acts⁽¹⁾;
- (iv) allowances payable in respect of disablement or disability; and
- (iv) wages payable to a person as a seaman, other than wages payable to him as a seaman of a fishing boat;

“liability order” means an order under regulation 34; and

“net earnings” in relation to an employment means the residue of earnings payable under the employment after deduction by the employer of—

- (a) income tax;
- (b) primary Class 1 contributions under Part I of the Social Security Contributions and Benefits Act 1992⁽²⁾ and
- (c) amounts deductible under any enactment, or in pursuance of a request in writing by the debtor, for the purposes of a superannuation scheme, namely any enactment, rules, deed or other instrument providing for the payment of annuities or lump sum—
 - (i) to the persons with respect to whom the instrument has effect on their retirement at a specified age or on becoming incapacitated at some earlier age, or
 - (ii) to the personal representatives or the widows, relatives or dependants of such persons on their death or otherwise, whether with or without any further or other benefits.

(2) In sub-paragraph (v) of the definition of “earnings” in paragraph (1) above expressions used in the Merchant Shipping Act 1894⁽³⁾ have the same meanings as in that Act.

(3) Regulations 33 to 53 apply for the recovery of a sum which has become payable to a billing authority under Part V and which has not been paid; but their application in relation to a sum for which persons are jointly and severally liable under that Part is subject to the provisions of regulation 54 (joint and several liability).

(4) References in this Part to a sum which has become payable and which has not been paid include references to a sum forming part of a larger sum which has become payable and the other part of which has been paid.

Deductions under attachment of earnings order

38.—(1) Subject to paragraphs (2) and (3), the sum to be deducted by an employer under an attachment of earnings order on any pay-day shall be—

- (a) where the debtor's earnings from the employer are payable weekly, a sum equal to the appropriate percentage of the net earnings otherwise payable on that pay-day; and for this purpose the appropriate percentage is the percentage (or percentages) specified in column 2 of Table A in Schedule 4 in relation to the band in column 1 of that Table within which the net earnings fall;
- (b) where his earnings from the employer are payable monthly, a sum equal to the appropriate percentage of the net earnings otherwise payable on that pay-day; and for this purpose the appropriate percentage is the percentage (or percentages) specified in column 2 of Table B in that Schedule 4 in relation to the band in column 1 of that Table within which the net earnings fall;
- (c) where his earnings from the employer are payable at regular intervals of a whole number of weeks or months, the sum arrived at by—
 - (i) calculated what would be his weekly or monthly net earnings by dividing the net earnings payable to him by the employer on the pay-day by that whole number (of weeks or months, as the case may be),
 - (ii) ascertaining the percentage or percentages specified in column 2 of Table A (if the whole number is of weeks) or of Table B (if the whole number is of months) in Schedule 4 opposite the band in column 1 of that Table within which the notional net earnings calculated under paragraph (i) fall, and
 - (iii) calculating the sum which equals the appropriate percentage (or percentages) of the notional net earnings for any of those weeks or months and multiplying that sum by the whole number of weeks or months, as appropriate.

(2) Where paragraph (1) applies and the amount to be paid to the debtor on any pay-day includes an advance in respect of future pay, the sum to be deducted on that pay-day shall be the aggregate of the amount which would otherwise fall to be deducted under paragraph (1) and—

- (a) where the amount advanced would otherwise have been paid on a single pay-day, the sum which would have been deducted on that pay-day in accordance with paragraph (1) if the amount advanced had not been the amount of net earnings on that day; or
- (b) where the amount advanced would otherwise have been paid on more than one pay-day, the sums which would have been deducted on each of the relevant pay-days in accordance with paragraph (1) if—
 - (i) an equal proportion of the amount advanced had paid on each of those days; and
 - (ii) the net earnings of the debtor on each of those days had been an amount equal to that proportion.

(3) Where the amount payable to the debtor on any pay-day is reduced by reason of an earlier advance of pay or by reason of the repayment by the debtor of a loan made to him by his employer for any purpose, the net earnings of the debtor on that day shall, for the purposes of paragraph (1), be the amount defined in regulation 32(1) less the amount of the deduction.

(4) Subject to paragraphs (5) and (6), where the debtor's earnings from the employer are payable at regular intervals other than at intervals to which paragraph (1) applies, the sum to be deducted on any pay-day shall be arrived at by—

- (a) calculating what would be his daily net earnings by dividing the net earnings payable to him by the employer on the pay-day by the number of days in the interval,
- (b) ascertaining the percentage or percentages specified in column 2 of Table C in Schedule 4 opposite the band in column 1 of that Table within which the notional net earnings calculated under sub-paragraph (a) fall, and
- (c) calculating the sum which equals the appropriate percentage (or percentages) of the notional daily net earnings and multiplying that sum by the number of days in the interval.

(5) Where the debtor's earnings are payable as mentioned in paragraph (4), and the amount to be paid to the debtor on any pay-day includes an amount advanced in respect of future pay, the amount of the debtor's notional net earnings under sub-paragraph (a) of that paragraph shall be calculated in accordance with the formula—

$$\frac{A - B}{C + D}$$

where

- A is the amount of net earnings payable to him on that pay-day (exclusive of the amount advanced);
- B is the amount advanced;
- C is the number of days in the period for which the amount of net earnings is payable; and
- D is the number of days in the period for which, but for the agreement to pay in advance, the amount advanced would have been payable.

(6) Paragraph (3) applies in relation to paragraph (4) as it applies in relation to paragraph (1).

(7) Where earnings are payable to a debtor by the employer by 2 or more series of payments at regular intervals—

- (a) if some or all of the intervals are of different lengths—
 - (i) for the purpose of arriving at the sum to be deducted, whichever of paragraphs (1), (2), (3), (4), (5) and (6) is appropriate shall apply to the series with the shortest interval (or, if there is more than one series with the shortest interval, such one of those series as the employer may choose), and
 - (ii) in relation to the earnings payable in every other series, the sum to be deducted shall be 20 per cent of the net earnings or, where on any pay-day an amount advanced is also paid, 20 per cent of the aggregate of the net earnings and the amount advanced;

(b) if all of the intervals are of the same length, whichever of paragraphs (1), (2), (3), (4), (5) and (6) is appropriate shall apply to such series as the employer may choose and sub-paragraph (a) (ii) shall apply to every other series, and paragraph (3) shall apply in relation to sub-paragraph (a) (ii) above as it applies in relation to paragraph (1).

(8) Subject to paragraphs (9) and (10), where the debtor's earnings from the employer are payable at irregular intervals, the sums to be deducted on any pay-day shall be arrived at by—

- (a) calculating what would be his daily net earnings by dividing the net earnings payable to him by the employer on the pay-day—
 - (i) by the number of days since earnings were last payable by the employer to him, or
 - (ii) if the earnings are the first earnings to be payable by the employer to him with respect to the employment in question, by the number of days since he began the employment;

- (b) ascertaining the percentage (or percentages) specified in column 2 of Table C of Schedule 4 opposite the band in column 1 of that Table within which the notional net earnings calculated under sub-paragraph (a) fall; and
- (c) calculating the sum which equals the appropriate percentage (or percentages) of the daily net earnings and multiplying that sum by the same number as that of the divisor for the purposes of the calculation mentioned in sub-paragraph (a).

(9) Where on the same pay-day there are payable to the debtor by the employer both earnings payable at regular intervals and earnings payable at irregular intervals, for the purpose of arriving at the sum to be deducted on the pay-day under the foregoing provisions of this regulation all the earnings shall be aggregated and treated as earnings payable at the regular interval.

(10) Where there are earnings payable to the debtor by the employer at regular intervals on one pay-day, and earnings are payable by the employer to him at irregular intervals on a different pay-day, the sum to be deducted on each of the pay-days on which the earnings which are payable at irregular intervals are so payable shall be 20 per cent of the net earnings payable to him on the day.

Attachment of earnings orders: ancillary powers and duties of employers and others served

39.—(1) An employer who deducts and pays amounts under an attachment of earnings order may, on each occasion that he makes such a deduction, also deduct from the debtor's earnings the sum of one pound towards his administrative costs.

(2) An employer who deducts and pays amounts under an attachment of earnings order shall, in accordance with paragraph (3), notify the debtor in writing of—

- (a) the total amount of the sums (including sums deducted under paragraph (1)) deducted under the order up to the time of the notification; or
- (b) the total amount of the sums (including sums deducted under paragraph (1)) that will fall to be so deducted after that time.

(3) A notification under paragraph (2) must be given at the time that the pay statement given by the employer to the debtor next after a deduction has been made is so given, or if no such statements are usually issued by the employer, as soon as practicable after a deduction has been made.

(4) A person on whom a copy of an attachment of earnings order has been served shall, in accordance with paragraph (5), notify in writing the authority which made the order if he does not have the debtor against whom it was made in his employment or the debtor subsequently ceases to be in his employment.

(5) A notification under paragraph (4) must be given within 14 days of the day on which the copy of the order was served on him or the debtor ceased to be in his employment (as the case may be).

(6) While an attachment of earnings order is in force, any person who becomes the debtor's employer and knows that the order is in force and by what authority it was made shall notify that authority in writing that he is the debtor's employer.

(7) A notification under paragraph (6) must be given within 14 days of the day on which the debtor became the person's employee or of the day on which the person first knows that the order is in force and the identity of the authority by which it was made, whichever is the later.

Attachment of earnings orders: duties of debtors

40.—(1) While an attachment of earnings order is in force, the debtor in respect of whom the order has been made shall notify in writing the authority which made it of each occasion when he leaves an employment or becomes employed or re-employed, and (in a case where he becomes so employed or re-employed) shall include in the notification a statement of—

- (a) his earnings and (so far as he is able) expected earnings from the employment concerned,

- (b) the deductions and (so far as he is able) expected deductions from such earnings—
 - (i) in respect of income tax;
 - (ii) in respect of primary Class 1 contributions under Part I of the Social Security Contributions and Benefits Act 1992;
 - (iii) for the purposes of such a superannuation scheme as is mentioned in the definition of “net earnings” in regulation 32(1),
 - (c) the name and address of the employer, and
 - (d) his work or identity number in the employment (if any).
- (2) A notification under paragraph (1) must be given within 14 days of the day on which the debtor leaves or commences (or recommences) the employment (as the case may be), or (if later) the day on which he is informed by the authority that the order has been made.

Attachment of earnings orders: ancillary powers and duties of authority

- 41.—(1) Where the whole amount to which an attachment of earnings order relates has been paid (whether by attachment of earnings or otherwise), the authority by which it was made shall give notice of the fact to any person who appears to it to have the debtor in his employment and who has been served with a copy of the order.
- (2) The authority by which an attachment of earnings order was made may, on its own account or on the application of the debtor or an employer of the debtor, make an order discharging the attachment of earnings order; and if it does so it shall give notice of that fact to any person who appears to it to have the debtor in his employment and who has been served with a copy of the order.
- (3) If an authority serves a copy of an attachment of earnings order in accordance with regulation 37(3), it shall (unless it has previously done so) also serve a copy of the order on the debtor.

Priority between attachments of earnings orders

- 42.—(1) Where an employer would, but for this paragraph, be obliged under regulation 37(3) to make deductions on any pay-day under two or more attachment of earnings orders made under this Part, he shall make deductions only with respect to the one which was made first until it ceases to be in force, and shall then deal with the other order or orders in like manner in the order in which they were made.
- (2) Where an employer is or would, but for this paragraph, be obliged to comply at any time with an attachment of earnings order made under this Part and an order made under the Attachment of Earnings Act 1971 (“the 1971 Act”)([4](#)) or the Child Support Act 1991 (“the 1991 Act”)([5](#))—
- (a) if the order made under the 1971 Act or, as the case may be, the 1991 Act was made first, whilst it is in force he shall comply only with the order made under the 1971 Act or, as the case may be, the 1991 Act, or
 - (b) if the attachment of earnings order made under this Part was made first, whilst it is in force the attachable earnings for the purposes of Schedule 3 to the 1971 Act are to be treated as such of the attachable earnings mentioned in paragraph 3 of that Schedule ([6](#)) as remain after deduction of the amount to be deducted under the order made under this Part.

- (1) See the definition in section 116(1) of the Local Government Finance Act 1992.
- (2) [1992 c. 4](#).
- (3) [1894 c. 60](#). The definition of “fishing boat” in section 370 was amended by the Merchant Shipping Act [1970 \(c. 36\)](#), Schedule 5 and the definition of “seaman” in section 742 was amended by paragraph 4 of Schedule 3 to that Act.
- (4) [1971 c. 32](#).

- (5) [1991 c. 48](#).
- (6) Paragraph 3 of Schedule 3 was amended by the Social Security (Consequential Provisions) Act [1975 \(c. 18\)](#), Schedule 2, paragraph 43, the Social Security Pensions Act [1975 \(c. 60\)](#), Schedule 5 and the Wages Act [1986 \(c. 48\)](#), Schedule 4, paragraph 4.

SCHEDULE 4

DEDUCTIONS TO BE MADE UNDER ATTACHMENT OF EARNINGS ORDER

TABLE A

DEDUCTIONS FROM WEEKLY EARNINGS

<i>Net earnings</i>	<i>Deduction rate %</i>
Not exceeding £35	0
Exceeding £35 but not exceeding £65	3
Exceeding £65 but not exceeding £90	5
Exceeding £90 but not exceeding £110	7
Exceeding £110 but not exceeding £175	12
Exceeding £175 but not exceeding £250	17
Exceeding £250	17 in respect of the first £250 and 50 in respect of the remainder

TABLE B

DEDUCTIONS FROM MONTHLY EARNINGS

<i>Net earnings</i>	<i>Deduction rate %</i>
Not exceeding £152	0
Exceeding £152 but not exceeding £260	3
Exceeding £260 but not exceeding £360	5
Exceeding £360 but not exceeding £440	7
Exceeding £440 but not exceeding £700	12
Exceeding £700 but not exceeding £1,000	17
Exceeding £1,000	17 in respect of the first £1,000 and 50 in respect of the remainder

TABLE C

DEDUCTIONS FROM DAILY EARNINGS

<i>Net earnings</i>	<i>Deduction rate %</i>
Not exceeding £5	0
Exceeding £5 but not exceeding £9	3
Exceeding £9 but not exceeding £13	5
Exceeding £13 but not exceeding £16	7
Exceeding £16 but not exceeding £25	12
Exceeding £25 but not exceeding £36	17
Exceeding £36	17 in respect of the first £36 and 50 in respect of the remainder