

Guidance for Employers

Council Tax Attachment of Earnings Orders (CTAEO)

Administering Council Tax Attachment of Earnings Orders

Index - Council Tax (England and Wales)

Section 1 - Using this Guide

Figure 1 - Types of Attachment Order (England and Wales)

Figure 2 - A quick guide to attachable earnings

Section 2 - Introduction

Section 3 - Administering Council Tax Attachment of Earnings Orders

3.1 How does a Council Tax Attachment of Earnings Order (CTAEO) arise?

3.2 What does a CTAEO look like?

3.3 What duties does a CTAEO place on the employer?

3.4 How should payments to the Local Authority be made?

3.5 What about administration costs?

3.6 How long does the CTAEO last?

3.7 What happens if the debtor leaves my employment?

3.8 What happens if an employer doesn't comply with a CTAEO?

3.9 What about duties on employees?

3.10 What about duties on local authorities?

Section 4 - Calculating deductions

4.1 What amount should an employer make a deduction against?

4.2 What are net earnings?

4.3 What are earnings?

4.4 How much should be deducted?

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

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

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

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

4.9 What if regular and irregular payments to an employee fall on the same day?

4.10 How should advances for holiday pay be treated?

4.11 How should other loans be treated?

4.12 Further help and advice

4.13 Legislation

Section 5 - Priority of Orders

5.1 What do you do if you receive more than one order for the same employee?

5.2 How do you know which order takes priority?

5.3 Operating more than one order of different types

5.4 What type of order might you receive?

5.5 Which orders take priority?

Annex A: Deduction tables (Orders made on or after 1 April 2007)

Annex B: Deduction tables (Orders made between 1 October 1998 and 31 March 2007)

Annex C: Deduction tables (Orders made before 1 October 1998)

Appendix A: Definition of Earnings as per Regulations

Section 6 - Regulations 32 and 38 to 42 of, and schedule 4 to, the Council Tax (Administration and Enforcement) Regulations 1992

Section 1 - Using this Guide

As an employer, you or your company may receive an order from a Court, a Local Authority, or the Child Support Agency (CSA) to make deductions from the earnings of an employee. You may also receive a schedule of arrestment by an officer of the Scottish Courts. The order will have been made because your employee:

- has incurred a debt or fine which a Court has ordered him to pay
- is in arrears with a Council Tax bill or
- has been ordered to pay maintenance to support a spouse or child

How you comply with an order depends on the type of order that you have received.

Although the legislation governing attachment orders is broadly similar, there are some practical differences.

You should therefore read carefully the section relevant to the order you have received. Figure 1 sets out the different types of order you may receive and figure 2 provides an overview regarding the types of earnings from which you should make a deduction.

When you receive an order, you must comply with it. Under some orders, you may be fined or even imprisoned for non-compliance. This booklet explains what to do; however, it is not intended to provide a precise interpretation of the law.

You are responsible for complying with an order, even if your employee works at a different location. The actual work, however, can be done by a wages clerk or branch manager. You can ask the Court, CSA or Local Authority to send further correspondence to an alternative address.

If you do not employ the person named on the order, or you do not think that you are their employer, you should write to the Court, CSA or Local Authority that made the order – a telephone call is not sufficient.

For further advice about a particular order, you should contact the Court, CSA or Local Authority that issued the order. Always quote the claim or account number.

This handbook is only a general guide. It is intended to help you understand the main points about Attachment Orders. It is not a full description or statement of the law.

Figure 1 – Types of Attachment Order (England and Wales)

Order type	Issued by	Debt type	Payable to	Legislation
Attachment of Earnings Order (AEO)	High Court	Maintenance	High Court	Attachment of Earnings Act (AEA) 1971
CAEO (Consolidated AEO)	County Court	Civil Debts	County Court	AEA 1971
AE on AO (AE Order on an Admin. Order)	County Court	Civil Debts	County Court	AEA 1971
AEO	County Court	Maintenance Civil Debts	Centralised Attachment of Earnings Payment System (CAPS)	AEA 1971
AEO	Magistrates' Court	Maintenance Fines Maintenance Orders	Magistrates' Court	AEA 1971
Council Tax AEO	Local Authority	Council Tax	Local Authority	Local Government Finance Act 1992
Deduction from Earnings Order (DEO)	Child Support Agency (CSA)	Child Maintenance	CSA	Child Support (Collection & Enforcement) Regulations (CSR) 1992
Income Payment Orders	Insolvency Service	Bankruptcy	Insolvency Service	Insolvency Act 1986
Income Support Deduction notice (ISDN)	Jobcentre Plus	Income Support	Department for Work and Pensions (DWP)	Social Security Contributions and Benefits Act 1992

Figure 2 – A quick guide to attachable earnings

	The Legislation Governing :	
	Attachment of Earnings Orders (maintenance, fines & civil debts)	Council Tax AEO's
	Earnings Arrestments	
	Deduction from Earnings Orders	
Defines earnings as :		
Wages and Salary	Yes	Yes
Pension	Yes	No
Redundancy Pay	Yes	No
Statutory Sick Pay	Yes	Yes
Excludes :		
Disability Pension	Yes	Yes
Statutory Maternity, Paternity and Adoption Pay	Yes	Yes
Sums payable by any public department of the Government of Northern Ireland or of a territory outside the UK	Yes	Yes
Armed Forces' Pay	Yes	Yes
A Tax Credit	Yes	Yes
Wages payable to a person as a Seaman	Yes	Yes
Guaranteed minimum Pension	Yes	No
Defines residue as attachable after the following deductions :		
Income Tax	Yes	Yes
Pension, allowances or benefit payable under any enactment relating to Social Security	Yes	Yes
National Insurance contributions	Yes	Yes
Superannuation or Pension contributions	Yes	Yes

See Appendix A, for a full definition as given in the relevant Legislation.
If you are uncertain whether particular earnings are attachable, you should contact the Court, CSA or Local Authority that made the Order.

Section 2 – Introduction

These notes are broken into a further three sections.

Section 3 explains how a Council Tax Attachment of Earnings Order arises, what it looks like and how to deal with it.

Section 4 explains how you calculate earnings and the appropriate deductions to make.

Section 5 provides further useful information (including how you prioritise deductions when there is more than one order outstanding against one of your employees).

Please note that these guidance notes apply to Council Tax Attachment of Earnings Orders (CTAEO) in England and Wales only. The system in Scotland operates differently.

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.

Section 3 - Administering Council Tax Attachment of Earnings Orders (CTAEO)

3.1 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 CTAEO to the employer whom it believes has the debtor in his employment, sending a copy of the order to the debtor.

3.2 What does a CTAEO 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 CTAEO's.

3.3 What duties does a CTAEO place on the employer?

If you receive a CTAEO 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; 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. 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 their 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.

3.4 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 CTAEO account number and amount of each individual deduction within the total payment. You are not required to list CTAEO's 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.

Section 3 - Administering Council Tax Attachment of Earnings Orders (CTAEO)

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 CTAEO account number (you will find this on the order). This is particularly important if you are making a single payment for several orders.

3.5 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 CTAEO. This amount must be included when you notify your employee about deductions made.

3.6 How long does the CTAEO 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.

3.7 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.

3.8 What happens if an employer doesn't comply with a CTAEO?

A CTAEO 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 CTAEO
- in giving notification make a statement which they know to be false or recklessly make a statement which is false.

3.9 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.

3.10 What about duties on Local Authorities?

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

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

Section 4 - Calculating deductions

4.1 What amount should an employer make a deduction against?

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

4.2 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.

How to deal with advances and loans is covered below.

4.3 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.

4.4 How much should be deducted?

Once you have worked out your employee's net earnings, you should use the deduction tables in Section 5 to calculate how much should be deducted. Different levels of deductions apply depending on when the CTAE0 was originally made.

Annex A sets out the rates applicable for orders made from 1 April 2007. Annex B sets out the rates applicable for orders made between 1 October 1998 and 31 March 2007 and Annex C sets out the rates applicable for orders made prior to 1 October 1998. All the examples assume that the CTAE0 was made after 1 April 2007.

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 CTAEO 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 A) 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. $300 \times 12\% = £36.00$
- multiply this by two to arrive at the total amount to be deducted i.e. £72.00

This leaves £528.00

Now:

- send the deduction of £72.00 to the Local Authority
- deduct £1.00, if you wish, from the remainder for making the deduction
- pay your employee the remainder i.e. £527.00

4.5 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 CTAEO and you pay your employee on the 10th, 20th and last days of each month. The pay period is 21st – 28th February.

- calculate your employee's attachable earnings, for the pay period, e.g. £800
- find the daily attachable earnings
i.e. $£800 \div 8 \text{ days} = £100$
- identify from Table 3 (Annex B) the correct percentage deduction rate, i.e. exceeding £72
- calculate the amount to be deducted
i.e. $72 \times 17\% + 28 \times 50\% = £26.24$
- multiply the deduction by eight = £209.92

4.6 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. £300
- identify from Table 1 (Annex A), the correct percentage deduction rate, i.e. exceeding £225 but not exceeding £355
- calculate the amount to be deducted i.e. $£300 \times 12\% = £36.00$
- calculate your employee's monthly attachable earnings, e.g. £500
- calculate the appropriate deduction i.e. $£500 \times 20\% = £100.00$
- add the £36.00 and £100.00 together for payment to the Local Authority i.e. £136.00, deduct £1.00 for each deduction and pay the remaining amount to your employee i.e. £134.00

4.7 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. £400 (1st April to 9th April); £900 (10th April to 20th April); £600 (21st April to 30th April)
- calculate the daily rate of attachable earnings for each pay period, i.e. $£400 \text{ divided by } 9 = £44.44$
 $900 \text{ divided by } 11 = £81.82$ and $600 \text{ divided by } 10 = £60.00$
- identify the correct percentage deduction rate from Table 3 (Annex A), i.e. 12%; 17% on the first £72 and 50% thereafter; and 17% respectively
- calculate the daily deduction rate i.e. $£44.44 \times 12\% = £5.33$;
 $£72.00 \times 17\% + 9.82 \times 50\% = £17.15$;
and $£60.00 \times 17\% = £10.20$ respectively
- multiply by the number of days in the pay period to find the total deduction, i.e. $9 \times £5.33 = £47.97$;
 $11 \times £17.15 = £188.65$; and
 $£10.20 \times 10 = £102.00$ respectively

4.8 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 30th November and a Christmas bonus payment on 10th 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 A) for the monthly salary payment, i.e. exceeding £900 but not exceeding £1,420 = 12%
- calculate the deduction on the monthly salary, i.e. $£1,000 \times 12\% = £120.00$
- calculate the deduction on the Christmas bonus, i.e. $£200 \times 20\% = £40.00$

4.9 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, except now the Christmas bonus is paid on 20th December at the same time as the regular monthly salaries for December

- calculate your employee's attachable earnings e.g. £1,600 for the December salary and Christmas bonus together
- identify the correct percentage deduction rate from Table 2 (Annex A) for the monthly salary payment i.e. exceeding £1,420 but not exceeding £2,020 = 17%
- calculate the deduction i.e. $£1,600 \times 17\% = £272.00$

4.10 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;
- b) the amounts that would have been deducted if the amounts advanced had been paid on the normal pay day or days.

4.11 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.

4.12 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 at council.tax@communities.gsi.gov.uk.

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 £300
- apply from Table 1 (Annex A) the appropriate percentage deduction rate i.e. exceeding £225 but not exceeding £355 = 12%
- calculate the deduction, i.e. $£300 \times 12\% = £36.00$
- calculate your employee's attachable earnings relating to the advance, e.g. £600 for two weeks
- divide this total equally between the future pay periods for which the advance is given, i.e. $£600 \text{ divided by } 2 = £300$
- apply from Table 1 (Annex A) the appropriate percentage deduction rate i.e. exceeding £225 but not exceeding £355 = 12%
- calculate the deduction, i.e. $0.12 \times £300 = £36.00$
- multiply the weekly deduction by the number of weeks in the advance pay period, i.e. $£36 \times 2 = £72.00$
- pay over to the Local Authority the total deduction, i.e. $£36.00 + £72.00 = £108.00$
- Note that since you are making a deduction from a single payment, only £1.00 may be deducted for administration costs

4.13 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 to update the deduction tables for orders made on or after 1 October 1998 and SI No. 2006/3395 and SI No.2007/501 update the deduction tables for orders made after 1 April 2007. The deduction tables are at Annexes A, B and C.

Section 5 - Priority of Orders

5.1 What do you do if you receive more than one order for the same employee?

You may be sent more than one order for the same employee. Whether you should apply more than one order against the earnings of your employee is determined by the type of order. Which order you apply first is determined by the priority status of the order.

5.2 How do you know which order takes priority?

In England and Wales priority depends on the type of order and the date it was made. The orders, which you should apply first, to your employee's attachable earnings are explained in: Paragraphs 5.4 to 5.5

5.3 Operating more than one order of different types

When you apply orders of different types to your employee's earnings, you will need to take care that you apply the correct type of attachable earnings (the elements may vary depending on the type of order (see Figure 2)). You must not include in the available attachable earnings a deduction made under a prior order, but you should include any money set aside as 'protected earnings' under a prior order.

5.4 What type of order might you receive?

You could receive any of the following types of order:

- an Attachment of Earnings Order (AEO)
- a Child Support Deduction from Earnings Order (DEO)
- a Council Tax Attachment of Earnings Order (CTAEO).

Note: Orders made under the Attachment of Earnings Act 1971 fall into two categories:

- *Orders for maintenance or a fine (commonly known as priority AEOs) and*
- *Orders for civil debts (commonly known as non-priority AEOs).*

The copy of the order sent to you by the court should identify which type of AEO you are being asked to operate.

5.5 Which orders take priority?

- Attachment of Earnings Orders for civil debts take precedence over each other by date of issue.

Note: If you receive more than one AEO for civil debt, you may wish to apply to the court to have the AEOs consolidated

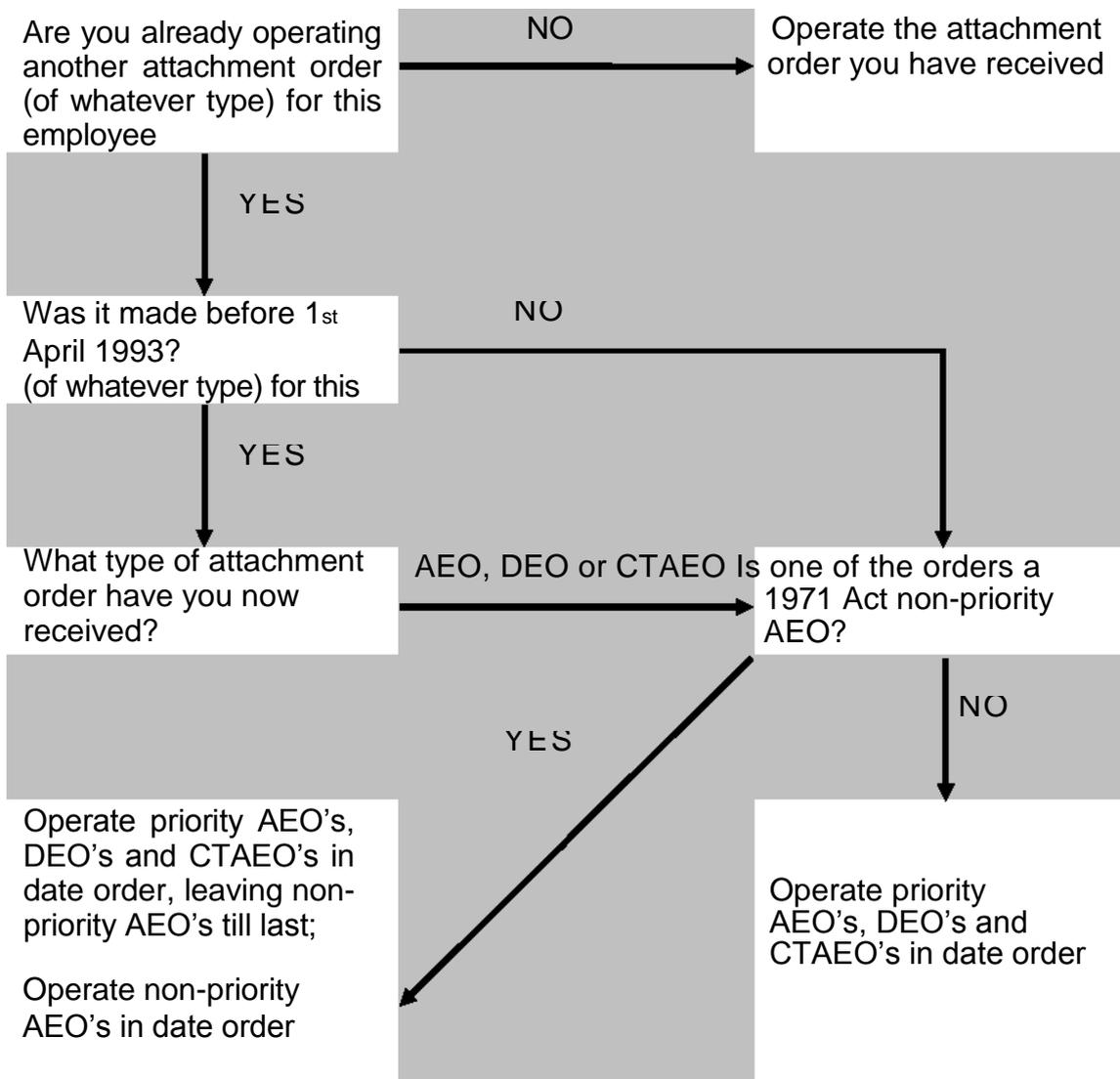
- An AEO for civil debt, student loan or a Scottish Current Maintenance Arrestment always gives way to an AEO for maintenance or a fine; a DEO and a CTAEO
- Earnings Arrestments should be treated as priority orders and taken in date sequence
- AEO's for maintenance or fines, DEO's And CTAEO's take precedence over each other by date of issue. You should apply the later order(s) to any remaining attachable earnings after you have made the deduction under the first order
- Only two CTAEO's for the same billing Authority may be in operation against the earnings of an employee at any given time. Where you are already operating two CTAEO's against the earnings of an employee and you are sent a third CTAEO, you cannot apply it and you should return it to the Authority, which sent it to you.

Note: If you receive two or more orders made on the same date, you should prioritise them by date of receipt. If they have all been made by the same court, Agency or Local Authority, you should refer them back to the court, Agency, or Local Authority

In these circumstances the two orders are consolidated under one new order and deducted together as one deduction. For the purposes of priority among orders of a similar type, the date of the old order will be taken as the date of the order.

- Magistrates can withdraw old type fines orders and consolidate them with new type (fixed table deductions) orders.

Priority check guide for employers in England and Wales



Annex A: - Deduction tables for CTAEO's made on or after 1st April 2007

Table 1 – Deductions from weekly earnings

(1) Net earnings	(2) 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

(1) Net earnings	(2) 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 £2,020	17
Exceeding £2,020	17 in respect of the first £2,020 and 50% in respect of the remainder

Table 3 – Deductions based on daily earnings

(1) Net earnings	(2) 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 B: - Deduction tables for CTAEO's made between 1st October 1998 and 31st March 2007

Table 1 – Deductions from weekly earnings

(1) Net earnings	(2) Deduction rate (percentage)
Not exceeding £55	0
Exceeding £55 but not exceeding £100	3
Exceeding £100 but not exceeding £135	5
Exceeding £135 but not exceeding £165	7
Exceeding £165 but not exceeding £260	12
Exceeding £260 but not exceeding £370	17
Exceeding £370	17 in respect of the first £370 and 50% in respect of the remainder

Table 2 – Deductions from monthly earnings

(1) Net earnings	(2) Deduction rate (percentage)
Not exceeding £220	0
Exceeding £220 but not exceeding £400	3
Exceeding £400 but not exceeding £540	5
Exceeding £540 but not exceeding £660	7
Exceeding £660 but not exceeding £1,040	12
Exceeding £1,040 but not exceeding £1,480	17
Exceeding £1,480	17 in respect of the first £1,480 and 50% in respect of the remainder

Table 3 – Deductions based on daily earnings

(1) Net earnings	(2) Deduction rate (percentage)
Not exceeding £8	0
Exceeding £8 but not exceeding £15	3
Exceeding £15 but not exceeding £20	5
Exceeding £20 but not exceeding £24	7
Exceeding £24 but not exceeding £38	12
Exceeding £38 but not exceeding £53	17
Exceeding £53	17 in respect of the first £53 and 50% in respect of the remainder

Annex C: - Deduction tables for CTAEO's made before 1st October 1998

Table 1 – Deductions from weekly earnings

(1) Net earnings	(2) Deduction rate (percentage)
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 2 – Deductions from monthly earnings

(1) Net earnings	(2) Deduction rate (percentage)
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 3 – Deductions based on daily earnings

(1) Net earnings	(2) Deduction rate (percentage)
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

Appendix A

Council Tax (Administration and Enforcement) Regulations 1992 (SI 1992/613), as amended by SI 1999/534, 2003/522, 2003/738 and 2005/2866).

Defines earnings by way of:

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

Excludes from earnings

- sums payable by any public department of the Government of Northern Ireland or of a territory outside the United Kingdom
- pay or allowances payable to the debtor as a member of Her Majesty's forces, other than pay of allowances payable by their employer to them as a special member of a reserve force (within the meaning of the Reserve Forces Act 1996)
- allowances or benefit payable under any enactment relating to social security
- tax credits within the meaning of the Tax Credits Act 2002
- allowances payable in respect of disablement or disability and
- wages payable to a person as a seaman, other than wages payable to them as a seaman of a fishing boat.

Defines the residue as attachable after the following deductions

- income tax (PAYE);
- primary class 1 contributions under Part 1 of the Social Security Contributions and Benefits Act 1992
- 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, widowers, surviving civil partners, relatives or dependants of such persons on their death or otherwise, whether with or without any further or other benefits
- any deduction with a higher priority.

Section 6 - Regulations 32 and 38 to 42 of 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;

(iv) allowances payable in respect of disablement or disability; and

(v) wages payable to a person as a seaman, other than wages payable to them as a seaman of a fishing boat;

"the Income Support Regulations"

means the Council Tax (Deductions from Income Support) Regulations 1993;

"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; 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; and where an order under regulation 32 (making of attachment of earnings order) of the Community Charges (Administration and Enforcement) Regulations 1989 made before the making of the attachment of earnings order remains in force

(d) any amount required to be deducted in accordance with that order.

(2) In sub-paragraph (v) of the definition of "earnings" in paragraph (1) above expressions used in the Merchant Shipping Act 1894 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 regulations 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.

(5) Any reference in this Part to the day on, or time at which a notice is issued, is a reference-

(a) if the notice is served in the manner described in section 233(2) of the Local Government Act 1972 by being left at, or sent by post to, a person's proper address, to the day on or time at which it is so left or posted, or

(b) in any other case, to the day on or time at which the notice is served.

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 the debtor's 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 Schedule 4 in relation to the band in column 1 of that Table within which the net earnings fall.

(c) Where the debtor's 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 their weekly or monthly net earnings by dividing the net earnings payable to them 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 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 been 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, 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 their daily net earnings by dividing the net earnings payable to them 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 subparagraph (a) of that paragraph shall be calculated in accordance with the formula -

A+B

C+D

where-

A is the amount of net earnings payable to them 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 subparagraph (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 them by the employer on the pay-day –

(i) by the number of days since earnings were last payable by the employer to them, or

(ii) if the earnings are the first earnings to be payable by the employer to them with respect to the employment in question, by the number of days since they 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 them 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 them 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 they make such a deduction, also deduct from the debtor's earnings the sum of one pound towards their 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 they do not have the debtor against whom it was made in their employment or the debtor subsequently ceases to be in their 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 them or the debtor ceased to be in their 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 they are 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 they leave an employment or become employed or re-employed, and (in a case where they become so employed or re-employed) shall include in the notification a statement of-

- (a) their earnings and (so far as they are able) expected earnings from the employment concerned,
 - (b) the deductions and (so far as they are 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) their 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 they are informed by the authority that the order has been made.

Attachment of earnings orders:
ancillary powers and duties of the
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 their 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 as between orders

42. – (1) Where an employer would, but for this paragraph, be obliged to make deductions on any pay-day under more than one attachment of earnings order, they shall-

- (a) deal with the orders according to the respective dates on which they were made, disregarding any later order until an earlier one has been dealt with; and
 - (b) deal with any later orders as if the earnings to which it relates were the residue of the debtor's earnings after the making of any deduction to comply with any earlier order.
- (2) Subject to paragraph (3), where an employer would, but for this paragraph, be obliged to comply with one or more attachment of earnings order and with one or more deduction order, they shall deal with the orders according to the respective dates on which they were made in like manner as under paragraph (1).
- (3) An employer shall not deal with a deduction order made wholly or in part in respect of the payment of a judgement debt or payments under an administration on order until they have dealt with the attachment of earnings order or orders and any other deduction order.
- (4) In this regulation "deduction order" means an order under the Attachment of Earnings Act 1971 or section 31(2) (deductions from earnings orders) of the Child Support Act.