

**Please read there are amendments to deduction amounts from 1<sup>st</sup> April 2007**

**North Lincolnshire Council**

**Attachment of Earnings Orders - Guidance Notes for Employers/Employees.**

**What is an Attachment of Earnings Order?**

Where there is non-payment of Council Tax the local authority can apply to a Magistrates' court for a Liability Order against the defaulter. If a court grants a Liability Order an authority has a number of options for recovering the outstanding amount. One of these is an Attachment of Earnings Order. The Order itself is in a form prescribed in regulations. It contains the name of the debtor, his payroll number (if known) and the local authority reference. It confirms that the named person is liable to a Council Tax and specifies the amount of charge that has to be paid. Deductions in line with the Order should be made as soon as possible.

**What Duties Does this Order Place on an Employer?**

The Order is a legal document and places certain duties on an employer. A summary of these legal duties are below.

An employer could be liable for a fine if he:

- a. fails to comply with the Order unless he can prove all reasonable steps were taken to comply ;
- b. fails to give all required notifications relating to the Council Tax Attachment of Earnings Order.
- c. in giving notification makes a statement which he knows to be false in a material particular or recklessly make a statement which is false in a material particular.

**What Duties are placed on the Debtor?**

A debtor must tell the authority which made the CTAOE if he changes employment. This should be done within 14 days of the change of employment. In notifying such a change the debtor must give details of his current employment details.

**Net earnings**

You must take the amount for the Attachment of Earnings directly from your employee's net earnings. (Net earnings are the amounts the employee earns after taking off income tax, National Insurance and contributions to a pension, including Additional Voluntary Contributions, Free Standing Additional Voluntary Contributions and Stakeholder Pension Contributions).

SCHEDULE 4

Regulation 38

**DEDUCTIONS TO BE MADE UNDER AN ATTACHMENT OF EARNINGS ORDER**

**Raised after 1<sup>st</sup> April 2007**

<u>WEEKLY EARNINGS (NET)</u>	<u>Deduction %</u>	<u>MONTHLY EARNINGS (NET)</u>	
<u>Deduction %</u>			
Not exceeding £75	0	Not exceeding £300	0
Exceeding £75 but not exceeding £135	3	Exceeding £300 but not exceeding £550	3
Exceeding £135 but not exceeding £185	5	Exceeding £550 but not exceeding £740	5
Exceeding £185 but not exceeding £225	7	Exceeding £740 but not exceeding £900	7
Exceeding £225 but not exceeding £355	12	Exceeding £900 but not exceeding £1,420	12
Exceeding £355 but not exceeding £505	17	Exceeding £1,420 but not exceeding £2,020	17
Exceeding £505	17% in respect of the first £505 and 50% in respect of the remainder	Exceeding £2,020	17% in respect of the first £2,020 and 50% in respect of the remainder.
<u>DAILY EARNINGS</u>	<u>DEDUCTION %</u>	<u>DAILY EARNINGS</u>	<u>DEDUCTION %</u>
Not exceeding £11	0	Exceeding £33 but not exceeding £52	12
Exceeding £11 but not exceeding £20	3	Exceeding £52 but not exceeding £72	17
Exceeding £20 but not exceeding £27	5	Exceeding £72 - 17% in respect of the first £72	
Exceeding £27 but not exceeding £33	7	and 50 in respect of the remainder	

**These figures are only for Attachment of Earnings Orders made on or After 1<sup>st</sup> April 2007.**

**An employer is entitled to deduct an additional £1 per deduction to cover administration costs.**

Should you require any further clarification on any matter relating to an Attachment of Earnings Order please contact a member of the Council's Debt Management Section on 0300 3030164 option 2

Please turn over for payment instructions.

## **How do I make payments?**

Once deductions have been made, payment should be forwarded to North Lincolnshire Council without delay.

**Whatever payment method you choose, you must ensure that you quote the employee's 11 digit account reference number with every payment sent. If you are deducting for more than one Order, a breakdown should be provided to show the deductions made for each of the Orders to ensure the correct allocation of the payments received.**

Payments can be sent by the following methods:

- **By Standing Order or BACS**

The Council's bank account details are:  
Barclays Bank PLC  
Account Number: 83416593  
Sort Code: 20-76-30

If paying by BACS or Standing Order, and the payment relates to more than one deduction or account, you should also send a remittance advice to confirm the amounts and account reference number for each of the deductions, per Order, that have been made. This can be emailed to [civiccentrecashiers@northlincs.gov.uk](mailto:civiccentrecashiers@northlincs.gov.uk), or sent by post to Finance Cashiers, Hewson House, Station Road, Brigg, DN20 8XB.

- **By Debit or Credit Card**

By calling 0300 3030164 option 1

If you have any queries regarding how to make an Attachment of Earnings Order payment, please contact a member of the Debt Management Section on **0300 3030164 option 2**