

**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<sup>[31]</sup>;

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

(v) 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<sup>[32]</sup> 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<sup>[33]</sup> 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 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 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—

$$A + B$$

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$$C + D$$

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 attachment 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")<sup>[34]</sup> or the Child Support Act 1991 ("the 1991 Act")<sup>[35]</sup>—

- (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<sup>[36]</sup> as remain after deduction of the amount to be deducted under the order made under this Part.

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**Annex A**

## **Council Tax Attachment of Earnings Orders**

### **Questions and Answers**

#### **1. What is a Council Tax Attachment of Earnings Order?**

If someone has not paid their Council Tax, the local authority can apply to a Magistrates' Court for a Liability Order against them. 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, their payroll number (if known) and the local authority reference. It confirms that the named person is liable to pay the Council Tax and gives the amount that has to still be paid. You must make deductions in line with the order as soon as possible after you receive it.

#### **2. What does this order mean to me?**

This order is a legal document and places certain duties on you, so it is important that you know the rules. Details of your legal duties are given as the answer to question 13.

If you employ the person named in the order, you must make deductions from his or her earnings as explained below. These deductions should begin as soon as possible after you receive the order. You must then send us the amount deducted by the 18<sup>th</sup> day of the month following the month in which you made the deduction.

Each time you make a deduction you may also deduct £1 from your employee towards your administrative costs. With every deduction you make, you must supply your employee with a written statement showing the total amount deducted so far, including your administrative costs. This can normally be done when a pay statement is issued, or, if this is not convenient, as soon as possible after the deduction is made.



If the employee has moved on, or has never been employed by you, you must tell us within 14 days. **If you do not, you could be fined by the court.**

### **3. How long does this order last?**

You should make deductions each pay day until:

- The total amount given on the order has been paid over to us; or
- The person has left your employment; or
- We tell you to stop making deductions

When the employee leaves your employment and you have told us, you do not have to do anything more. The local authority will have to serve a copy of the order on the new employer, and this will tell them how much remains to be deducted.

### **4. How much should be deducted?**

The amount to be deducted depends on the total net earnings received by the employee. For this order, 'net earnings' means earnings after the deduction of income tax, employee's class 1 national Insurance contributions, superannuation contributions and any deduction with a higher priority. Annex B includes tables which show the percentage to be deducted according to the amount of net earnings and the pay period. Question 10 tells you what to do if the employee is due to holiday pay.

### **5. What are earnings?**

Earnings are defined as:

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

Earnings do not include:

- Sums payable by public departments of the Government of Northern Ireland or a territory outside the United Kingdom;
- Pay and allowances of members of the armed forces
- Benefit or allowances payable under social security law (this includes maternity pay);
- 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

### **6. What are 'net earnings'?**

Net earnings are defined in regulation 32 as the amount payable after deduction of income tax, National Insurance, superannuation payments and amounts

deducted under any Community Charge attachment of earnings order made before the Council Tax attachment of earnings order is made.

**7. Are youth training allowances counted as earnings?**

No.

**8. How do I use these tables?**

Use Table A if the employee is paid weekly, Table B if the employee is paid monthly, and Table C if they are paid daily.

Look in column 1 to find the earnings band that applies to the employee. Then read across to column 2 to find the percentage of their earnings that you should deduct. Work out the amount, and make the deduction.

**9. How do I know which table to use?**

Since most people are paid at regular intervals this should be straightforward sometimes, but there will be cases which are not straightforward. The examples below will help you decide the correct deduction to make.

***Weekly***

If the person is paid weekly then use Table A.

***Monthly***

If the person is made monthly then use Table B

***Other weekly intervals (for example: every 3 weeks, every 5 weeks)***

If the person is paid at intervals made up of a whole number of weeks then divide the net earnings for the period by the number of weeks in the pay period. Use Table A to work out the weekly deduction. Multiply this amount by the number of weeks in the pay period. This gives you the amount to deduct.

***More than one month (for example; every 2 months, every 6 months)***

If a person is paid at intervals made up of a whole number of months, then divide the net earnings for the period by the number of months in the pay period. Use Table B to work out the monthly deduction. Multiply this amount by the number of months in the pay period.. This gives you the amount to deduct.

### ***Regular Intervals – not whole weeks or months***

If a person is paid at regular intervals, but not at intervals made up of a whole number of weeks or months then count up the number of days in the pay period. Divide the net earnings in the period by the number of days. Then use Table C to work out the daily rate. Multiply this by the number of days in the period, and this gives you the amount to deduct.

### ***Two or more series of payments at regular intervals***

If the person is paid in two or more series and payments are made at regular intervals, select the series with the shortest interval between payments. Then use the tables described above. Also, deduct 20% of the net earnings payable in every other series.

If the person is paid in two or more series and all the intervals are the same length, then select one of these, and make deductions as described above.

Then you must also deduct 20% of the net earnings payable in every other series.

### ***Example***

An employee's net pay is £150 every week and they also receive a net payment of £200 every month. Use Table A, which tells you to deduct 5% of the weekly pay. This comes to £7.50. You also need to deduct 20% of the £200 monthly payment. This comes to £40. Add the two figures together, giving you a total deduction of £47.50.

### ***What if someone is paid at irregular intervals?***

If the person is paid at irregular intervals, count the number of days since the last payment. Divide the net earnings for the period by the number of days. Use Table C to work out the daily deductions, and multiply this by the number of days in the period. This gives you the amount to deduct.

### ***Examples***

An employee's net pay for three distinct pay periods is:

A	£108 (from 1 April to 9 April – 9 days)
B	£120 (from 10 April to 19 April – 10 days)
C	£231 (from 20 April to 30 April – 11 days)

The deductions you would make each time would be:

- A Work out the daily pay:  $108/9 = £12$ . Use Table C to work out the daily deduction:  $£12 \times 3\% = £0.36$ . Multiply this by the number of days in the period:  $9 \times £0.36 = £3.24$  to deduct.
- B Work out the daily pay:  $120/10 = £12$ . Use Table C to work out the daily deduction:  $£12 \times 3\% = £0.36$ . Multiply this by the number of days in the period:  $10 \times £0.36 = £3.60$  to deduct.
- C Work out the daily pay:  $231/11 = £21$ . Use Table C to work out the daily deduction:  $£21 \times 5\% = £1.05$ . Multiply this by the number of days in the period:  $11 \times £1.05 = £11.55$  to deduct.

### ***A mixture of regular and irregular intervals***

If, on the same pay day, the person is to be paid regular period earnings and irregular period earnings, add these amounts together. Treat the whole amount as earnings payable at the regular interval. Then use the appropriate table for the period.

### ***Example***

An employee receives £250 as normal net weekly pay. They also receive £350 every 15 days for a different task. On 'normal' pay days you would simply use Table A, and deduct 12% of £250 (£30). However, on pay days when both amounts were due you would add the amounts together (£250+£350). Use Table A to work out the deduction for net weekly earnings of £600. The deduction rate for £600 is 17% of the first £505, plus 50% of the rest: that is,  $£85.85 + £47.50 = £133.35$ .

## **10. What do I deduct if there is an advance for holiday pay?**

You need to treat the amounts paid separately (that is normal pay and holiday pay) and work out:

- A the amount that would have been deducted on pay day if there had been no advance of pay
- B the amounts that would have been deducted if the amount advanced had been paid on pay day or pay days it would normally have been paid on.

### ***Example***

An employee received £800 net pay on the pay day. This is made up of £300 for the week in which the pay day falls; and £500 for 2 weeks holiday advance, which is two weeks standard pay at £250 per week. Use Table A to work out what you would have deducted from the 'normal' net payment of £300: (12% of £300 = £36.00). Then use Table A to work out what you would have deducted from each of the weekly payments of £250: (12% of £250 x 2 = £60). This gives you a total deduction of:  $£36 + £60 = £96$ .

## **11. How should I deal with loans made for other reasons?**

Loans made, for example, to buy travel season ticket or for helping with moving house are not advances of pay and should not be counted as earnings.

The repayments on such loans do affect deductions. How this works depends on the date that the Council Tax attachment of earnings order was made.

- If the CTAE0 was made **before 1 April 1995**, the net earnings figure you use should be reduced by the amount of the repayment; and
- If the CTAE0 was made **on or after 1 April 1995**, the deduction should be based on net earnings **before** any loan repayment.

## 12. What do I do if there is an attachment of earnings order already in force?

We can send you more information on how to deal with multiple orders. Please ring us if you have any questions. The following examples will, however, cover most situations.

A If there is already a CTAE0 in place, the new CTAE0 is applied. Make the deduction as normal, based on what is left of the employee's net earnings **after** you have made the deduction for the first CTAE0.

However, if there are already two or more CTAE0s in payment, then do not make any more deductions and tell the local authority that sent you the last STAE0 what the situation is.

B If there is already a community charge AEO (CCAEO) in place then the new CTAE0 is applied. Make the deductions as normal based on the employee's net earnings **after** you have made the deduction for the CCAEO.

However, please note that a **single** CTAE0 should still be actioned however many CCAEOs, or other non-Council Tax orders are already in force.

C Any 1971 Act non-priority orders are to be applied (in the order they were issued) after all other orders have applied.

## 13. The Legal duties placed on employers

A CTAE0 is a legal document and places certain duties on employers and debtors. A summary of these legal duties is below.

An employer could be fined if he or she:

- A does not keep to the order, and cannot prove all reasonable steps were taken to keep to it;
- B does not pass on all the information that is relevant to the CTAE0;

- C in giving information makes a statement which he or she knows to be false or recklessly make a statement which is false.

#### 14. The Legal duties placed on debtors

Debtors could be fined for:

- A failing to give information, without a reasonable excuse;  
 B making a statement which they know to be false.

### Annex B

#### Deductions to be made under an attachment of earnings order

**Table A**

Deductions from <b>weekly</b> earnings	
Column 1 <b>Net earnings</b>	Column 2 <b>Deduction rate (%)</b>
Not exceeding £75.00	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 £335 but not exceeding £505	17
Exceeding £505	17 in respect of the first £505 and 50 in respect of the remainder

**Table B**

Deductions from <b>monthly</b> earnings	
Column 1 <b>Net earnings</b>	Column 2 <b>Deduction rate (%)</b>
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 £1420 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 C**

Deductions based on <b>daily</b> earnings	
Column 1 <b>Net earnings</b>	Column 2 <b>Deduction rate (%)</b>
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 then 50 in respect of the remainder