



Attachment of Earnings Orders

What is an Attachment of Earnings Order?

- An Order for an employer to deduct money directly from a debtor's wages.

When can an Attachment of Earnings Order be served?

- Only once a Liability Order has been obtained.

How is an Attachment of Earnings Order served?

- Usually through the normal course of post.
- The Order goes to the employer and a copy is also sent to the debtor.
- The form in which the Order takes is specified within the regulations and must be signed by a proper officer of the Council or someone authorised to sign it.

How much will be deducted?

- The employer must deduct a percentage from the employee's wages.
- A rough guide* to how much the employer has to take is shown below:

<u>Net earnings per month:</u>	<u>Deduction rate:</u>
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 £1420	12%
Exceeding £1420 but not exceeding £2020	17%
Exceeding £2020	17% in respect of first £2020 and 50% in respect of the remainder

<u>Net earnings per week:</u>	<u>Deduction rate:</u>
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

(*figures correct as at 01/04/08)



- A maximum of two (2) Council Tax Attachments of Earnings Orders may be in place at any one time on an account.
- The employer takes the deduction as normal for the first AOE and whatever is left after that is then deducted again in accordance with the table above.
- The debtor may request a 'fixed deduction' which means that, regardless of their earnings, a designated amount will be taken each time. Both the Council and the employer must agree to this because they are only required by law to take a percentage (as prescribed above).

What are the duties of the employer and others served?

- An employer has a legal obligation to deduct the money.
- An administration fee of £1.00 per deduction may also be taken by the employer
- Money should be paid directly to the Council.
- An employer must notify the debtor in writing of the total amount deducted, or remaining to be deducted under the order.
- Notification can be done on the debtors wage slip/pay statement. If no such statement is issued, as soon as practicable after each deduction is made.
- An employer must notify the Council within fourteen (14) days of receipt of their copy of the Order if the debtor is not in their employment.
- An employer must notify the Council within fourteen (14) days that the debtor has ceased to be in their employment.
- While an AOE is in force, any person who becomes the debtor's employer and knows that an AOE is in force, and which authority made the order, must notify the authority, in writing and within fourteen (14) days, that he is the debtor's employer.
- It is an offence to fail to notify the debtor or the authority as mentioned above or knowingly or recklessly make a statement which is false in a material particular. A person found guilty may be subject to a conviction or a fine.

What are the duties of the debtor in relation to an AOE?

- Whilst an order is in force the debtor will be under an obligation to notify the authority in writing on each occasion he leaves an employment or becomes employed/re-employed.
- His notification must include:
 - His earnings and expected earnings from the employment concerned;
 - the deductions and expected deductions from such earnings in respect of income tax, primary Class 1 contributions under Part 1 of the Social Security Contributions and Benefits Act 1992, and for the purposes of a superannuation scheme;
 - The name and address of the employer; and
 - A work and identity number in the employment (if any)
- This must be given within fourteen (14) days of which the debtor leaves or commences (or re-commences) employment, or (if later) the day on which he is informed by the authority that an order has been made.
- The debtor will be guilty of an offence if he fails to notify the authority as outlined above or if he knowingly or recklessly gives a statement which is false in a material particular. A person found guilty may be subject to a conviction or a fine.