

# **Attachment of earnings orders**

**Guidance notes  
for  
Council Tax payers**

## Contents

<b>What is an attachment of earnings order?</b>	<b>3</b>
<b>What must my employer do?</b>	<b>3</b>
<b>Will my employer advise me of each payment?</b>	<b>3</b>
<b>How long will my employer have to make deductions?</b>	<b>3</b>
<b>What happens if my employer does not comply?</b>	<b>3</b>
<b>How much will be deducted?</b>	<b>4</b>
<b>What if there is already an attachment of earnings order?</b>	<b>4</b>
<b>What must I do if I change job?</b>	<b>4</b>
<b>How are the deductions calculated?</b>	<b>4</b>
<b>Tables of deductions to be made</b>	<b>7</b>
<b>How to contact us</b>	<b>8</b>

# **Council Tax Attachment of Earnings Orders: Guidance Notes for Council Taxpayers**

## **1. What is an Attachment of Earnings Order and why has it been sent?**

An Attachment of Earnings Order is an instruction to your employer to make deductions from your earnings as you have defaulted in paying your Council Tax. The Order is comprised of the outstanding amount in respect of a Liability Order made by the Magistrates Court and/or certain costs incurred by the Council in attempting to levy distress or by applying for a committal to prison warrant.

## **2. What must my employer do?**

The employer **must** make deductions from your earnings and pay the amounts deducted to City of Wolverhampton Council by the 19<sup>th</sup> day of the month following the month in which the deduction was made. As well as the amounts deducted and paid to the Council your employer **may** also deduct £1.00 from your earnings towards administration costs every time a deduction is made.

## **3. Will my employer advise me each time they make a deduction?**

Yes. Every time a deduction is made under this order your employer must give you a written statement of the amount which has so far been deducted, including the amount deducted towards their administrative costs. The notice must either be issued with your next pay statement or wage slip after the deduction, or if a pay statement or wage slip is not normally issued, as soon as possible after the deduction is made.

## **4. How long will my employer have to make deductions for?**

Your employer must make deductions on every normal pay day until:

- (i) The amount stated in the order has been paid in full to City of Wolverhampton Council, or
- (ii) You leave your current employer, or
- (iii) The Council tells your employer that the order has been discharged.

## **5. What happens if my employer does not comply with the order?**

Failure to comply is a criminal offence punishable by a fine.

## **6. How much will be deducted?**

Deductions are based on 'Net Earnings' which may not be the same as take home pay.

For the purposes of the order, net pay means after deductions for:

- (i) Income Tax
- (ii) Primary Class 1 National Insurance Contributions
- (iii) Superannuation contributions
- (iv) Any deduction as a result of an Attachment of Earnings Order with a higher priority

### **7. What if there is already a current attachment of earnings in force?**

Generally, attachment of earning orders under the Regulations and “deduction orders” (i.e. orders under the Attachment of Earnings Act 1971 or the Child Support Act 1991) are to be dealt with by employers in date order, with later orders processed on the basis that earnings are what is left after deductions have been made in respect of an earlier order or orders.

However, a Council Tax attachment of earnings order will have priority over 1971 Act orders which deal with judgement debts or payments under an administration order. Under a change in the regulations from 1 October 1998, only two orders can be in place for this Council at one time.

### **8. What must I do if I change job?**

If you change employment you must notify City of Wolverhampton Council within 14 days. You are required to provide details, in so far as you are able, of your earnings; expected deductions from such earnings in respect of income tax, national insurance and superannuation; the name and address of your new employer and your work or identity.

**Failure to provide this information may result in a fine being imposed.**

### **9. How are the deductions calculated?**

Use the tables on page 7. Note the deductions are net earning percentages **not** set amounts. If someone is paid every week, find the appropriate wage band in column 1 and the appropriate % deduction in column 2

#### **(ii) Monthly paid – Use Table B**

If someone is paid every month, find the appropriate wage band in column 1 and the appropriate % deduction in column 2

#### **(iii) Other weekly intervals**

If a person is paid at intervals of a whole number of weeks then net earnings should be divided by the number of weeks in the period. Work out one week using Table A and multiply by the number of weeks in the period

Example:

The net pay for a period of 7 weeks is £770:  $£770 / 7 \text{ weeks} = £110$   
 $£110 \times 3\%$  (Table A) =  $£3.30 \times 7 \text{ weeks} = £23.10$  total deduction.

#### **(iv) Other monthly instalments**

If a person is paid at intervals of a whole number of months then the net earnings should be divided by the number of months in the period. Work out one month using Table B and multiply by the number of months in the period.

Example:

The net pay for a period of 5 months is £2500:  $£2500 / 5 \text{ months} = £500$   
 $£500 \times 3\%$  (Table B) =  $£15 \times 5 \text{ months} = £75.00$  total deduction.

#### **(v) Regular intervals - not whole weeks or months**

If a person is paid at regular intervals, but not at intervals of a whole number of weeks or months then the net earnings should be divided by the number of days in the period. Work out one day using Table C and multiply by the number of days in the period.

Example: Pay period, every 30 days, net pay for the period £660:  $£660 / 30 \text{ days} = £22$

$£22 \times 5\%$  (Table C) =  $£1.10 \times 30 \text{ days} = £33.00$  total deduction

#### **(vi) A series of two or more payments at regular intervals**

If a person is regularly paid at two intervals, e.g. £150 per week and £600 per month, deductions should be made by using the tables to work out the appropriate deductions for the series with the shortest period between payments (i.e. weekly) **and** deductions of 20% of net earnings must be made from any other regular payment (i.e. monthly)

Example: £150 per week = deduction of £7.50 (Table A) **and**  
£600 per month = deduction of £120 (20% of £600).

However, if the shortest interval is the same for more than one series, e.g. two regular payments, £100 per week and £140 per week, the tables should be used to make deductions from only one of the series payments. You can choose which one. All others should be subject to a 20% deduction.

#### **(vii) Irregular intervals**

If the person is paid at irregular intervals, divide the amount payable by the number of days since the last payment, or the number of days since he or she started work, if it is the person's first pay day. Table C should be used to work out the appropriate daily deduction, multiply this by the number of days in the period

Example:

Net pay £1219 from 21 June 2007 to 12 August 2007 = 53 days  
 $\text{£}1219 / 53 \text{ days} = \text{£}23 \times 5\% \text{ (Table C)} = \text{£}1.15 \times 53 = \text{£}60.95 \text{ total deduction}$

**(viii) Regular and irregular at the same interval**

If on the same pay day a person is paid regular period earnings (£200 normal net weekly) and irregular period earnings (£50 for a one off task), the amounts should be added together and treated as regular interval earnings, using the tables to work out the deductions

**(ix) Regular and irregular payments at different intervals**

Given the same circumstances as in (viii) but where the net weekly amount of £200 is paid on one day and the bonus of £50 is paid separately on another day, use the tables to work out the regular pay and deduct 20% from the irregular pay

Example:

$\text{£}200 \text{ (normal net weekly pay)} \times 7\% \text{ (table A)} = \text{£}14.00 \text{ deduction plus } \text{£}50 \text{ bonus (paid every 15days)} \times 20\% = \text{£}10 \text{ deduction}$

**Deductions to be made under a Council Tax  
Attachment of Earnings Order**

The following tables set out the level of deductions to be made under an Attachment of Earnings Order, as determined by the Schedule to The Council Tax (Administration & Enforcement) Regulations (1992) (as amended)

**TABLE A: Deductions from weekly earnings**

<b>NET EARNINGS</b>	<b>DEDUCTION RATE %</b>
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 B: Deductions from monthly earnings**

<b>NET EARNINGS</b>	<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 £1420	12%
Exceeding £1420 but not exceeding £2020	17%
Exceeding £2020	17% in respect of the first £2020 and 50% in respect of the remainder

**TABLE C: Deductions from daily earnings**

<b>NET EARNINGS</b>	<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 and 50% in respect of the remainder

# How to Contact us

**Opening Hours:** 8.30am to 5.00pm Monday to Thursday  
8.30am to 4.30pm Friday

**By letter:**

Revenues and Benefits Service  
Wolverhampton City Council  
PO Box 250  
Wolverhampton  
WV2 1AX

**In person:**

Customer Services  
Ground Floor  
Civic Centre  
St Peters Square  
Wolverhampton

**By telephone:**

All enquiries: (01902) 551166  
24 hour card payments 0800 180 4464

Interpreters are available on request.

A sign language interpreter is available by appointment.

Website: [www.wolverhampton.gov.uk](http://www.wolverhampton.gov.uk)

E-mail: [council.tax@wolverhampton.gov.uk](mailto:council.tax@wolverhampton.gov.uk)