

COUNCIL TAX ATTACHMENT OF EARNINGS ORDERS (CTAEOS)

GUIDANCE NOTES FOR EMPLOYEES

Introduction

Council Tax Attachment of Earnings Orders (CTAEOS) are issued by local authorities if a liability order for Council Tax has been granted under the Council Tax (Administration and Enforcement) Regulations 1992 (SI No.613), as amended.

A CTAEOS is a legal document and places certain duties on the employer and the debtor. These duties are explained in this note. Failure to carry out these duties could lead to a fine.

Deductions are calculated by the employer rather than specified by the court. If more than one CTAEOS has been issued, deductions should be made for each order but there should be no more than two CTAEOS.

An outline of the Procedure

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 the 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 the Council Tax payable, plus the costs incurred by the local authority in obtaining the liability order. The liability order gives the local authority 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 CTAEOS to the employer whom it believes has the debtor in his employment, sending a copy of that order to the debtor. The order sets out the amount of Council Tax outstanding and requires that deductions are made in accordance with the regulations. The order is in a standard form and must include the prescribed deduction tables and a copy of the regulations that deal with CTAEOS. These are attached to this note.

What the employer must do

On receiving a CTAEOS the employer must:

- Make deductions from the employer's net earnings by using the table in the regulations;
- Tell the employee the total deductions made; and
- Pay the deductions to the local authority.

The employer may also deduct a £1.00 administration fee from his employee's pay for each deduction made.

Notifications

The employer is also required to notify the local authority about certain matters, and may be fined for failing to do so:

- If the employer receives an order for someone whom he does not employ he should, within 14 days tell the local authority.
- If the debtor for whom a CTAEOS is in place leaves his employment he should, within 14 days, tell the local authority.
- If anyone subject to a CTAEOS becomes an employee, the employer should also tell the relevant local authority. This should be done within 14 days of the debtor becoming an employee, or of the date when the employer became aware that an order is in force against the employee, whichever is the latest.

What the debtor must do

A debtor must tell the local authority (which issued the CTAEOS) if he changes employment and should give details, in so far as he is able, of his earnings; expected deductions; and the name and address of his new employer and payroll number.

This information must be given within 14 days of the change of employment. Failure to do so could lead to a fine.

More detailed advice

If you have any questions about the CTAEOS you should contact the Council Tax office.