

IRIS PAYE-Master – AEO (Attachment of Earnings) Guide

PAYE-Master has the facilities to cope with a variety of attachment of earnings order. Here we will cover:

- Council tax attachments - **CTAEO**
- Child support agency Deduction from earnings order - **DEO(CSA)**
- Direct earnings attachment – **DEA**
- Earnings arrestment orders (Scotland) – **EAO**
- Fines - fixed deduction AEO.
- Priority Order
- Non Priority Order

Types of Attachment

The behaviour of the attachment deduction will vary depending on the “**Type**” selected. It is important that you select the correct type, depending on what attachment instructions you have received.

This table describes the differences between types:

Attachment Type	Deduction Based on Value or % Tier	Total Amount Payable?	Protected Earnings Applied?	Unpaid Deductions Brought Forward
Council Tax	% Tier	Yes	No	No
DEO (CSA)	Value	No	Yes	Yes
DEO - New PEP	Value	No	Automatically set to 60% of deductible earnings	Yes
Earnings Arrestment	% Tier	Yes	No	No
Fines (Fixed Ded'n AEO)	% Tier	Yes	No	No
Direct Earnings (DEA)	% Tier	Yes	Automatically set to 60% of deductible earnings	Yes
Priority Order	Value	Yes	Yes	Yes
Non Priority Order	Value	Yes	Yes	No

Notes:

- Where designated “**% Tier**” PAYE-Master will select the correct deduction percentage based on an employee after tax/NI earnings. These % tier bandings are specified by HMRC, the details can be found in the “**Govt**” menu along the top of the screen in payroll.

- Where total amount payable is designated “**No**”, these are considered ongoing deductions with no total balance for the employee to pay back. These should be continued until the issuing body sends a stop deduction notification.
- Protected earnings specifies a lower limit of net pay. If an attachment uses protected earnings it will not take any deduction that would cause the employees net pay to fall below this value.
- Where unpaid deductions brought forward is designated “**Yes**”, any amount that cannot be taken from an employee due to protected earnings will be carried forward to future pay periods.

Setting up an Agency/Beneficiary

Before configuring the employee deduction you should save the details of the beneficiary for the attachment in PAYE-Master.

Please Note: Each PAYE-Master company has a beneficiary automatically created for student loans and the child support agency. Each other beneficiary should be configured when you receive an instruction to make a deduction.

To set up new beneficiary details go to “**Att'ments**” > “**Agency/Beneficiary Details**”:



Click “**New**”

Fill in as many details you can about the beneficiary and click “**Save**”

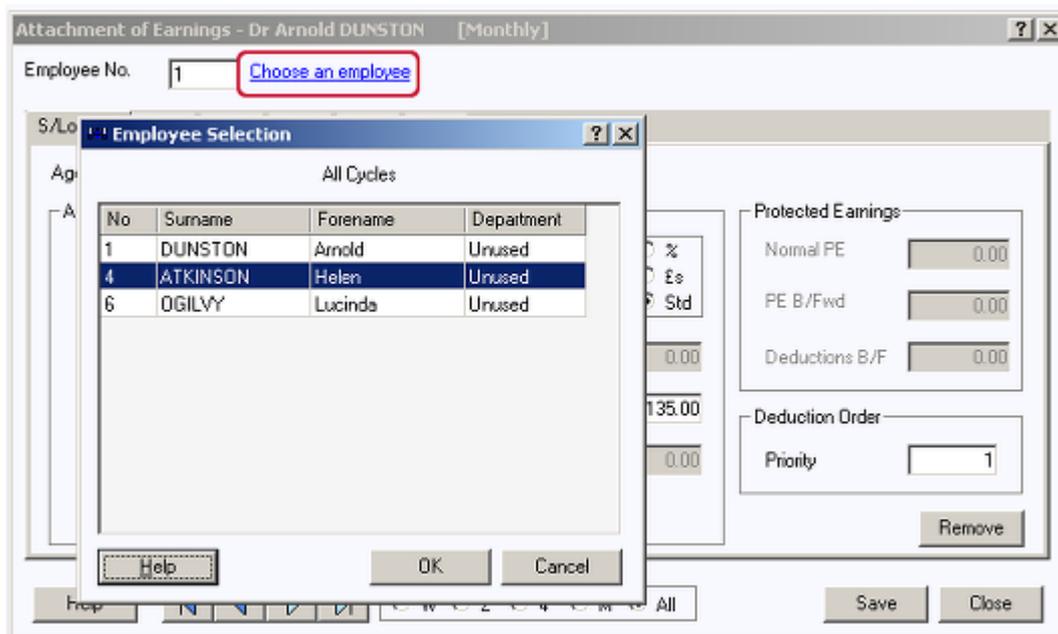
Attachment of Earnings configuration window

Each employee has their own attachment of earnings configuration window. All attachments should be configured via this screen.

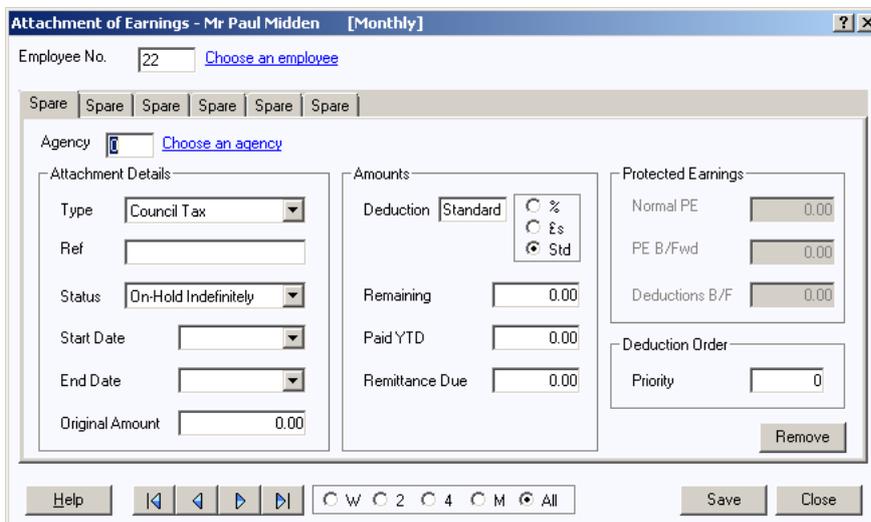
To access this, click on the “Att’ments” button on the toolbar:



Click on “Choose an employee” and select the appropriate individual:



From this screen we can configure the employees' attachment of earnings orders:



Configuring Employees' Attachments

Council Tax (CTAEO):

On the employees' attachment of earnings configuration window:

- Select the **"Agency"** you have set up
- Set the **"Type"** to **"Council Tax"**
- Set the **"Status"** to **"Active"**
- Set the **"Start Date"** as per your instruction to make a deduction.
- Set **"Original Amount"** to the total amount the employee has to repay. This value will duplicate in **"Remaining"**
- Deduction should be left as **"Std"**. PAYE-Master will use the following % tier selection:

Effective from April 2007

From	To	Rate
0.00	55.00	0.00%
55.01	100.00	3.00%
100.01	135.00	5.00%
135.01	165.00	7.00%
165.01	260.00	12.00%
260.01	370.00	17.00%

Above
17.00% of the first 370.00 and 50.00% of the remainder.

From	To	Rate
0.00	220.00	0.00%
220.01	400.00	3.00%
400.01	540.00	5.00%
540.01	660.00	7.00%
660.01	1040.00	12.00%
1040.01	1480.00	17.00%

Above
17.00% of the first 1480.00 and 50.00% of the remainder.

Buttons: Help, Close

Please Note: The **"Priority"** option depends on what other AEOs an employee has set up. If no other attachments are being processed set the priority to **"1"**

Attachment of Earnings - Mr Paul Midden [Monthly]

Employee No. 22 [Choose an employee](#)

C/Tax [1] Spare Spare Spare Spare Spare

Agency 3 [Choose an agency](#) Manchester City Council

Attachment Details

Type Council Tax

Ref

Status Active

Start Date 06/07/2015

End Date

Original Amount 1660.00

Amounts

Deduction Standard % £s Std

Remaining 1660.00

Paid YTD 0.00

Remittance Due 0.00

Protected Earnings

Normal PE 0.00

PE B/Fwd 0.00

Deductions B/F 0.00

Deduction Order

Priority 1

Buttons: Help, Save, Close

Save these details and continue running payroll as normal. PAYE-Master will calculate the appropriate deduction to take based on their net pay. With each deduction the value in **“Remaining”** will reduce (updated when you finalise the pay period). Once this reaches zero the attachment will automatically stop.

Deduction Earnings Order Child Support Agency (DEO)

On the employees’ attachment of earnings configuration window:

- Select the **“Agency”** as **“2”**. This is the standard agency set up in the software for the child support agency.
- Set the **“Type”** to **“DEO(CSA)”**
- Set the **“Status”** to **“Active”**
- Set the **“Start Date”** as per your instruction to make a deduction.
- **“Deduction”** should be set to **“£’s”**. Type in the value of the deduction you wish to make each pay period.
- Set the **“Normal PE”** value to match the specified value for protected earnings as listed on the instruction to make deduction.
- Deductions for CSA always take priority. Set the **“Priority”** value to **“1”**.

The screenshot shows the 'Attachment of Earnings' configuration window for Mr Paul Midden. The window title is 'Attachment of Earnings - Mr Paul Midden [Monthly]'. The 'Employee No.' is 22. The 'Agency' is set to 2, labeled as 'Child Support Agency'. The 'Attachment Details' section includes: Type: DEO (CSA), Ref: (empty), Status: Active, Start Date: 06/07/2015, End Date: (empty), and Employee Ref: (empty). The 'Amounts' section shows: Deduction: 375.00, Remaining: 0.00, Paid YTD: 0.00, and Remittance Due: 0.00. The 'Protected Earnings' section shows: Normal PE: 800.00, PE B/Fwd: 0.00, and Deductions B/F: 0.00. The 'Deduction Order' section shows: Priority: 1. There is a 'Remove' button at the bottom right of the configuration area. The window has a standard Windows-style interface with a 'Help' button, navigation arrows, and 'Save' and 'Close' buttons at the bottom.

Save these details and continue running payroll as normal. PAYE-Master will calculate the appropriate deduction based on the value of the deduction up to the protected earnings limit. Any value that cannot be taken due to protected earnings will be saved under **“Deductions B/F”**. Deductions brought forward will be taken when the normal deduction value can be taken in full and the employee hasn’t reached the **“Normal PE”** value.

If you receive a notification to stop this deduction, return to this screen:

- Set **“Status”** to **“On-Hold Indefinitely”**
- Set **“End Date”** to match the stop notification you have received.

Deduction Earnings Order Child Support Agency 60% Protected Earnings (DEO New - 60% PEP)

On the employees' attachment of earnings configuration window:

- Select the **"Agency"** as **"2"**. This is the standard agency set up in the software for the child support agency.
- Set the **"Type"** to **"DEO-New PEP"**
- Set the **"Status"** to **"Active"**
- Set the **"Start Date"** as per your instruction to make a deduction.
- **"Deduction"** should be set to **"£'s"**. Type in the value of the deduction you wish to make each pay period.
- Protected earnings will be automatically set as 60% of the employees' deductible earnings.
- Deductions for CSA always take priority. Set the **"Priority"** value to **"1"**.

Attachment of Earnings - Mr Paul Midden [Monthly]

Employee No. 22 [Choose an employee](#)

DEO PEP (1) Spare Spare Spare Spare Spare

Agency 2 [Choose an agency](#) Child Support Agency

Attachment Details

Type DEO-New PEP

Ref

Status Active

Start Date 06/07/2015

End Date

Employee Ref

Amounts

Deduction 375.00 % £s Std

Remaining 0.00

Paid YTD 0.00

Remittance Due 0.00

Protected Earnings

Normal PE 0.00

60% of deductible earnings

Deductions B/F 0.00

Deduction Order

Priority 1

Remove

Help |< < > >| W 2 4 M All Save Close

Save these details and continue running payroll as normal. PAYE-Master will calculate the appropriate deduction based on the value of the deduction up to the protected earnings limit. Any value that cannot be taken due to protected earnings will be saved under **"Deductions B/F"**. Deductions brought forward will be taken when the normal deduction value can be taken in full and the employee hasn't reached the **"Normal PE"** value.

If you receive a notification to stop this deduction, return to this screen:

- Set **"Status"** to **"On-Hold Indefinitely"**
- Set **"End Date"** to match the stop notification you have received.

Direct Earnings Attachment (DEA)

On the employees' attachment of earnings configuration window:

- Select the **"Agency"** you have set up.

- Set the “**Type**” to “**Direct Earnings (DEA)**”
- Set the “**Status**” to “**Active**”
- Set the “**Start Date**” as per your instruction to make a deduction.
- Set “**Original Amount**” to the total amount the employee has to repay. This value will duplicate in “**Remaining**”
- Protected earnings will be automatically set as 60% of the employees’ deductible earnings.
- Deduction should be left as “**Std**”. PAYE-Master will use the following % tier selection:

Direct Earnings Attachments (DEA)

Effective from 6 April 2014

Weekly Net Earnings			Monthly Net Earnings		
From	To	Rate	From	To	Rate
0.00	100.00	0.00%	0.00	430.00	0.00%
100.01	160.00	3.00%	430.01	690.00	3.00%
160.01	220.00	5.00%	690.01	950.00	5.00%
220.01	270.00	7.00%	950.01	1160.00	7.00%
270.01	375.00	11.00%	1160.01	1615.00	11.00%
375.01	520.00	15.00%	1615.01	2240.00	15.00%
520.01	Exceeding	20.00%	2240.01	Exceeding	20.00%

Buttons: Help, Close

Please Note: The “**Priority**” option depends on what other AEOs an employee has set up. If no other attachments are being processed set the priority to “**1**”

Attachment of Earnings - Mr Paul Midden [Monthly]

Employee No. 22 [Choose an employee](#)

DEA [1] Spare Spare Spare Spare Spare

Agency 4 [Choose an agency](#) DWP

Attachment Details:

Type: Direct Earnings (DEA)

Ref:

Status: Active

Start Date:

End Date:

Original Amount: 2175.00

Amounts:

Deduction: Standard % Es Std

Remaining: 2175.00

Paid YTD: 0.00

Remittance Due: 0.00

Protected Earnings:

Normal PE: 0.00

60% of deductible earnings

Deductions B/F: 0.00

Deduction Order:

Priority: 1

Buttons: Help, Save, Close, Remove

Save these details and continue running payroll as normal. PAYE-Master will calculate the appropriate deduction based on the appropriate % tier up to the protected earnings limit. Any value that cannot be taken due to protected earnings will be saved under

“Deductions B/F”. Deductions brought forward will be taken when the normal deduction value can be taken in full and the employee hasn’t reached the **“Normal PE”** value. With each deduction the value in **“Remaining”** will reduce (updated when you finalise the pay period). Once this reaches zero the attachment will automatically stop.

Earning Arrestment (EAO Scottish)

On the employees’ attachment of earnings configuration window:

- Select the **“Agency”** you have set up
- Set the **“Type”** to **“Earnings Arrestment”**
- Set the **“Status”** to **“Active”**
- Set the **“Start Date”** as per your instruction to make a deduction.
- Set **“Original Amount”** to the total amount the employee has to repay. This value will duplicate in **“Remaining”**
- Deduction should be left as **“Std”**. PAYE-Master will use the following % tier selection:

Earnings Arrestments Rates [?] [X]

Effective from 6 April 2015

Weekly Net Earnings			Monthly Net Earnings		
From	To	Deduct	From	To	Deduct
0.00	106.17	0.00 %	0.00	460.06	0.00 %
106.18	383.74	19.00 %	460.07	1662.88	19.00 %
383.75	576.92	23.00 %	1662.89	2500.00	23.00 %

Above 576.92
23.00% of the first 576.92 and 50.00% of the remainder.

Above 2500.00
23.00% of the first 2500.00 and 50.00% of the remainder.

Help Close

Please Note: The **“Priority”** option depends on what other AEOs an employee has set up. If no other attachments are being processed set the priority to **“1”**

Attachment of Earnings - Mr Paul Midden [Monthly]

Employee No. 22 [Choose an employee](#)

Arrestment [1] Spare Spare Spare Spare Spare

Agency 5 [Choose an agency](#) Scottish Arrestment Agency Example

Attachment Details

Type Earnings Arrestment

Ref

Status Active

Start Date 06/07/2015

End Date

Original Amount 1995.00

Amounts

Deduction Standard % £s Std

Remaining 1995.00

Paid YTD 0.00

Remittance Due 0.00

Protected Earnings

Normal PE 0.00

PE B/Fwd 0.00

Deductions B/F 0.00

Deduction Order

Priority 1

Remove

Help | < | > | W | 2 | 4 | M | All | Save | Close

Save these details and continue running payroll as normal. PAYE-Master will calculate the appropriate deduction to take based on their net pay. With each deduction the value in “**Remaining**” will reduce (updated when you finalise the pay period). Once this reaches zero the attachment will automatically stop.

Fines (Fixed Ded’n AEO)

On the employees’ attachment of earnings configuration window:

- Select the “**Agency**” you have set up
- Set the “**Type**” to “**Fines (Fixed Ded’n AEO)**”
- Set the “**Status**” to “**Active**”
- Set the “**Start Date**” as per your instruction to make a deduction.
- Set “**Original Amount**” to the total amount the employee has to repay. This value will duplicate in “**Remaining**”
- Deduction should be left as “**Std**”. PAYE-Master will use the following % tier selection:

Fines(Fixed Deduction AEO)

Effective from April 2007

Weekly Net Earnings			Monthly Net Earnings		
From	To	Rate	From	To	Rate
0.00	55.00	0.00%	0.00	220.00	0.00%
55.01	100.00	3.00%	220.01	400.00	3.00%
100.01	135.00	5.00%	400.01	540.00	5.00%
135.01	165.00	7.00%	540.01	660.00	7.00%
165.01	260.00	12.00%	660.01	1040.00	12.00%
260.01	370.00	17.00%	1040.01	1480.00	17.00%

Above

17.00% of the first 370.00 and 50.00% of the remainder.

Above

17.00% of the first 1480.00 and 50.00% of the remainder.

Help | Close

Please Note: The “**Priority**” option depends on what other AEOs an employee has set up. If no other attachments are being processed set the priority to “**1**”

The screenshot shows a software window titled "Attachment of Earnings - Mr Paul Midden [Monthly]". It contains several sections for configuring a fine deduction:

- Agency:** 6 (with a "Choose an agency" link)
- Type:** Fines(Fixed Ded'n AEO)
- Status:** Active
- Start Date:** 06/07/2015
- Original Amount:** 2275.00
- Amounts:**
 - Deduction:** Standard (with radio buttons for % and £s)
 - Remaining:** 2275.00
 - Paid YTD:** 0.00
 - Remittance Due:** 0.00
- Protected Earnings:**
 - Normal PE: 0.00
 - PE B/Fwd: 0.00
 - Deductions B/F: 0.00
- Deduction Order:** Priority: 1

At the bottom, there are navigation buttons (Help, arrows), window controls (W, 2, 4, M, All), and "Save" and "Close" buttons.

Save these details and continue running payroll as normal. PAYE-Master will calculate the appropriate deduction to take based on their net pay. With each deduction the value in “**Remaining**” will reduce (updated when you finalise the pay period). Once this reaches zero the attachment will automatically stop.

Priority Order

On the employees’ attachment of earnings configuration window:

- Select the “**Agency**” you have set up
- Set the “**Type**” to “**Priority Order**”
- Set the “**Status**” to “**Active**”
- Set the “**Start Date**” as per your instruction to make a deduction.
- Set “**Original Amount**” to the total amount the employee has to repay. This value will duplicate in “**Remaining**”
- Set the deduction as “**£s**”. Type in the value to be deducted each pay period.
- Set the “**Normal PE**” value to match the specified value for protected earnings as listed on the instruction to make deduction.

Please Note: The “**Priority**” option depends on what other AEOs an employee has set up. If no other attachments are being processed set the priority to “**1**”

The screenshot shows a software window titled "Attachment of Earnings - Mr Paul Midden [Monthly]". It contains several sections for configuring a deduction:

- Employee Info:** Employee No. 22, with a "Choose an employee" link.
- P/Order [1]:** A row of five "Spare" buttons.
- Agency:** 7, with a "Choose an agency" link. The text "Priority Order Beneficiary" is displayed in red.
- Attachment Details:**
 - Type: Priority Order (dropdown)
 - Ref: (empty text box)
 - Status: Active (dropdown)
 - Start Date: 06/07/2015 (dropdown)
 - End Date: (empty dropdown)
 - Original Amount: 5215.00 (text box)
- Amounts:**
 - Deduction: 575.00 (text box) with currency options: %, £s, Std.
 - Remaining: 5215.00 (text box)
 - Paid YTD: 0.00 (text box)
 - Remittance Due: 0.00 (text box)
 - Use Remaining:
- Protected Earnings:**
 - Normal PE: 850.00 (text box)
 - PE B/Fwd: 0.00 (text box)
 - Deductions B/F: 0.00 (text box)
- Deduction Order:**
 - Priority: 1 (text box)
 - Remove button

At the bottom, there are navigation buttons (Help, arrows, W, 2, 4, M, All) and "Save" and "Close" buttons.

Save these details and continue running payroll as normal. PAYE-Master will calculate the appropriate deduction based on the value of the deduction up to the protected earnings limit. Any value that cannot be taken due to protected earnings will be saved under "**Deductions B/F**". Deductions brought forward will be taken when the normal deduction value can be taken in full and the employee hasn't reached the "**Normal PE**" value.

With each deduction the value in "**Remaining**" will reduce (updated when you finalise the pay period). Once this reaches zero the attachment will automatically stop.

Non Priority Order

On the employees' attachment of earnings configuration window:

- Select the "**Agency**" you have set up
- Set the "**Type**" to "**Priority Order**"
- Set the "**Status**" to "**Active**"
- Set the "**Start Date**" as per your instruction to make a deduction.
- Set "**Original Amount**" to the total amount the employee has to repay. This value will duplicate in "**Remaining**"
- Set the deduction as "**£s**". Type in the value to be deducted each pay period.
- Set the "**Normal PE**" value to match the specified value for protected earnings as listed on the instruction to make deduction.

Please Note: The "**Priority**" option depends on what other AEOs an employee has set up. If no other attachments are being processed set the priority to "**1**"

The screenshot shows a software interface for managing attachment of earnings. Key fields include:

- Employee No.: 22
- Agency: 8
- Attachment Details:
 - Type: Non Priority Order
 - Status: Active
 - Start Date: 06/07/2015
 - Original Amount: 4500.00
- Amounts:
 - Deduction: 500.00
 - Remaining: 4500.00
 - Paid YTD: 0.00
 - Remittance Due: 0.00
 - Use Remaining:
- Protected Earnings:
 - Normal PE: 850.00
 - PE B/Fwd: 0.00
 - Deductions B/F: 0.00
- Deduction Order:
 - Priority: 1

Save these details and continue running payroll as normal. PAYE-Master will calculate the appropriate deduction based on the value of the deduction up to the protected earnings limit. Any value that cannot be taken due to protected earnings will be ignored. With each deduction the value in “**Remaining**” will reduce (updated when you finalise the pay period). Once this reaches zero the attachment will automatically stop.

Attachment Priority with multiple AEOs

If an employee has multiple attachment of earnings orders you will need to tell PAYE-Master which has priority i.e. which order they should be applied in.

Deductions for the child support agency should always be priority 1.

Generally speaking attachment types CTA, DEO, EAO (Scotland) and Student Loans all have priority over court orders for civil debt. Otherwise, where one or more attachments are required, an attachment notice with an earlier date takes priority over one with a more recent date, i.e. date issued priority.

Unfortunately, the law on this topic is complicated. The above is a summary and not an authoritative statement of the law. If you are in any doubt about the priority order of deduction for any employee you need to confirm the details with HMRC. Call HMRC employers helpline on 0300 200 3200 for confirmation.