

Court Orders

Employers can be made responsible for the collection of monies from individuals under orders from the Courts or certain agencies, such as the Child Support Agency. Orders may be AEO (Attachment of Earnings Orders) or DEO (Deduction of Earnings Orders). Orders can be specified with protected earnings limits, below which no deductions can be taken. Some orders carry a higher priority than others.

An employer is responsible for:

- ◆ Making deductions of the amounts specified by the Court or agency
- ◆ Keeping records of the deductions made
- ◆ Paying the deductions to the Court or Agency

The payroll provides a system to comply with the responsibilities of the employer.

Setting up a Court Order

You will receive notification from the Court or Agency specifying when to start deductions and how much.

You only stop deducting when told to in writing or the debt for which the order was raised is paid off.

Court Orders are entered in the Payroll/Tax details for an employee, accessed via the Payroll menu.

PAYROLL → SET EMPLOYEE → SET relevant employee → PAYROLL → COURT ORDERS

- ◆ Enter a unique name and description for the court order in the **Element Name** field
- ◆ Select the **payment pattern** from the dropdown box. A Recurring Fixed Amount will be deducted each pay run until stopped or amended. A reducing balance item will be deducted each pay run until a balance outstanding has been reduced to zero.

Employee	Taylor, Joe								
Element Name	DEO Child Support								
Payment Pattern	Recurring Fixed Amount								
Account	Other Creditors								
Amount	56.00								
Protected Deduction?	<input checked="" type="checkbox"/>								
Protected Net Pay	180.00								
Priority									
Carry Forward Balance	15.63								
Starting Balance	0.00								
Paid To Date	0.00								
Balance To Pay	0.00								
Order Date	12/04/2004								
Order Reference	Ref1								
<input type="button" value="Add Item"/> <input type="button" value="Undo Item"/> <input type="button" value="Save Item"/> <input type="button" value="Reset Form"/> <input type="button" value="Submit"/>									
#	Element Name	Amount	Protected	Priority	Starting Balance	Paid To Date	Balance To Pay	Order Reference	
1	DEO Child Support	56.00	Yes		0.00	0.00	0.00	Ref1	Del
2									

- ◆ From the Account dropdown select the nominal ledger account in which the deduction is held until paid to the Court or Agency
- ◆ Enter the **Amount** which is to be deducted at each payroll run.

- ◆ Check the **Protected Deduction** box if there is a protected earnings portion, which allows the employee to keep a minimum level of net earnings. If there is a **protected net pay** portion, enter the amount of protected pay for the relevant pay interval.
- ◆ Enter a number representing the order of **priority** in the event of multiple court orders. “1” will be deducted before “2” etc.
- ◆ **Carry Forward Balance** displays the balance of any shortfall in deductions, due to protected pay levels, and which will be caught up in future pay runs. You cannot enter anything in this field.
- ◆ Enter a **Starting Balance** if the payment pattern is reducing balance. Enter any amount that has already been **paid to date** by the employee. As deductions are made at each payroll run, this figure will be updated and display the total amounts deducted to-date. Enter the **balance to pay** as the amount still to be paid off the debt. Usually this is starting balance less paid to date. As deductions are made at each payroll run, this figure will be updated and display the balance still to pay.
- ◆ Enter the **date** of the court order.
- ◆ Enter the **reference** associated with this court order.

Calculation of the amount of the deduction

The system automatically records the correct amount of deduction, from the next payroll run after the start date. All reports reflect the deduction appropriately.

The protected pay element works as shown in this example.

	Period 1	Period 2
Gross Pay	277.5	483.75
PAYE & NIC	-57.13	-125.14
Net Pay	220.37	358.61
Protected Pay Level	180.00	180.00
Available for deduction	40.37	178.61
Order Deduction	-56.00	-56.00
Restricted to	-40.37	
Carried Forward	15.63	-15.63
Total Deducted	-40.37	-71.63

When the payroll has been finalised make sure that the monies deducted are paid to the court or agency as instructed.