



Llywodraeth Cymru  
Welsh Government

PUBLICATION

# Consultation on the income thresholds for Attachment of Earnings Orders

We are seeking your views on the proposal to update the earnings thresholds for Attachment of Earnings Orders to keep them up to date with current income levels.

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# Contents

[What this consultation is about](#)

---

[Consultation questions](#)

---

[How to repond](#)

---

[Your rights](#)

---

[UK General Data Protection Regulation \(UK GDPR\)](#)

---

## What this consultation is about

The Welsh Government is seeking views on the proposal to amend earnings thresholds for Attachment of Earnings Orders (AEO), a tool used by local authorities for the collection of unpaid council tax.

This consultation applies to Wales only.

## What is an attachment of earnings order?

Once a liability order has been granted to a billing authority, the authority can instruct an employer to recover unpaid council tax from an employee's wages using an Attachment of Earnings Order (AEO). The amount that employers may deduct from an employee's wages under an AEO is set out in tables at Schedule 4 of the Council Tax (Administration and Enforcement) Regulations 1992. The percentage deducted is based on the level of the employee's net earnings.

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## Context

The earnings thresholds used to determine the deduction rates for council tax payment do not reflect recent changes in the cost-of-living. The tables were last amended in 2007, by the Council Tax (Administration and Enforcement) (Amendment) (Wales) Regulations 2007, when the thresholds were uprated in line with the Average Earnings Index (AEI). This reflected an increase of 36.5% in earnings between April 1998 and April 2006. In January 2010, the AEI was replaced by the Average Weekly Earnings (AWE) measure, providing the headline indicator of short-term earnings.

## Proposed approach

In order to maintain fairness in the system, we are proposing to uprate the thresholds so that the level of earnings taken into account for council tax purposes reflects real terms change. Increasing the earnings limits will protect council taxpayers who are currently required to yield a greater proportion of their income to pay off council tax debt than was the case when the thresholds were last increased.

AWE data indicates an increase of 41.8% in average earnings between April 2006 and March 2021. This figure has been used to uprate the average earnings thresholds in the following tables rounded to the nearest £1, £5, £10 for daily or weekly or monthly limits respectively.

There is currently no requirement for the thresholds to be updated on a regular basis. As part of this consultation we would be interested in views on whether the thresholds should be uprated routinely, and if so, how frequently.

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# Attachment of Earnings Orders: comparison tables (Current and proposed rates for average earnings thresholds)

## Deduction rates for monthly earnings

Current average earnings	Uprated by average earnings	Current and proposed deduction rate % (for example no change)
Not exceeding £300	Not exceeding £430	0
£300-£550	£430-£780	3
£550-£740	£780-£1,050	5
£740-£900	£1,050-£1,280	7
£900-£1,420	£1,280-£2,010	12
£1,420-£2,020	£2,010-£2,860	17
Exceeding £2,020	Exceeding £2,860	17 for first £2,860 then 50% on rest

## Deduction rates for weekly earnings

Current average earnings	Uprated by average earnings	Current and proposed deduction rate % (for example no change)
Not exceeding	Not exceeding £105	0

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£75		
£75-£135	£105-£190	3
£135-£185	£190-£260	5
£185-£225	£260-£320	7
£225-£355	£320-£505	12
£355-£505	£505-£715	17
Exceeding £505	Exceeding £715	17 for first £715 then 50% on rest

## Deduction rates for daily earnings

Current average earnings	Uprated by average earnings	Current and proposed deduction rate % (for example no change)
Not exceeding £11	Not exceeding £16	0
£11-£20	£16-£28	3
£20-£27	£28-£38	5
£27-£33	£38-£47	7
£33-£52	£47-£74	12
£52-£72	£74-£102	17

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Exceeding £72

Exceeding £102

17 for first £102 then 50% on rest

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## Next steps

Following the end of the consultation, we will consider all the responses and whether to amend the thresholds, with a view to any legislative changes coming into effect from 1 April 2022.

## Consultation questions

### Question 1

Do you agree with the policy intention to uprate the earnings thresholds used to determine the amounts which may be deducted through a liability order? Please give reasons for your response.

### Question 2

Do you agree the proposed method of uprating is an appropriate approach for determining the new earning limit rates? Please give reasons for your response.

### Question 3

How often do you think the earnings thresholds should be updated? Please give reasons for your response.

### Question 4

We would like your views on the effects that the proposed policy would have on

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the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English. What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?

## Question 5

Please also explain how you believe the proposed policy could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

## Question 6

If you would like to raise any points about this matter, please take this opportunity to record them here.

## How to repond

The consultation period begins on 8 October 2021 and ends on 31 December 2021. Please ensure that your response reaches us before the required closing date.

You may submit your comments in any of the following ways:

- complete our [online form](#)
- download, complete our [response form](#) and email [LGFR.Consultations@gov.wales](mailto:LGFR.Consultations@gov.wales)
- download, complete our [response form](#) and post to:

Council Tax Policy Branch

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Welsh Government  
Cathays Park  
Cardiff  
CF10 3NQ

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- to lodge a complaint with the Information Commissioner's Office (ICO) who is our independent regulator for data protection.

Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please **tell us**.

For further details about the information the Welsh Government holds and its use, or if you want to exercise your rights under the GDPR, please see the following contact details:

## Data Protection Officer

Data Protection Officer  
Welsh Government  
Cathays Park  
Cardiff  
CF10 3NQ

E-mail: [data.protectionofficer@gov.wales](mailto:data.protectionofficer@gov.wales)

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Wilmslow  
Cheshire  
SK9 5AF

Telephone: 01625 545 745 or 0303 123 1113

Website: [ico.org.uk](https://ico.org.uk)

## UK General Data Protection Regulation (UK GDPR)

The Welsh Government will be data controller for any personal data you provide as part of your response to the consultation. Welsh Ministers have statutory powers they will rely on to process this personal data which will enable them to make informed decisions about how they exercise their public functions. Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about or planning future consultations. Where the Welsh Government undertakes further analysis of consultation responses then this work may be commissioned to be carried out by an accredited third party (for example a research organisation or a consultancy company). Any such work will only be undertaken under contract. Welsh Government's standard terms and conditions for such contracts set out strict requirements for the processing and safekeeping of personal data.

In order to show that the consultation was carried out properly, the Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are

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published with the response. If you do not want your name or address published, please tell us this in writing when you send your response. We will then redact them before publishing.

You should also be aware of our responsibilities under Freedom of Information legislation. If your details are published as part of the consultation response then these published reports will be retained indefinitely. Any of your data held otherwise by Welsh Government will be kept for no more than three years.

Further information and related documents

**Number: WG 43636**

This document is also available in Welsh. You can view this document in [alternative languages](#). If you need it in a different format, please [contact us](#).

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