## SCHEDULE 2

## **DEDUCTION FROM EARNINGS**

## **Deduction by employer: general**

- **3.**—(1) This paragraph applies where an employer of the liable person has received a notice under paragraph 1 relating to the liable person.
- (2) On each pay-day the employer must make a deduction from the net earnings which the employer would otherwise pay to the liable person on that pay-day.
  - (3) Where the earnings are payable weekly, the amount to be deducted is—
    - (a) the percentage of net earnings specified in Table A below for the band within which the net earnings payable on the pay day in question fall, or
    - (b) a lower amount calculated in the manner specified in the notice.

Table A

Net earnings band	Percentage of net earnings
Not exceeding £100	Nil
Exceeding £100 but not exceeding £160	3
Exceeding £160 but not exceeding £220	5
Exceeding £220 but not exceeding £270	7
Exceeding £270 but not exceeding £375	11
Exceeding £375 but not exceeding £520	15
Exceeding £520	20

- (4) Where the earnings are payable monthly, the amount to be deducted is—
  - (a) the percentage of net earnings specified in Table B below for the band within which the net earnings payable on the pay day in question fall, or
  - (b) a lower amount calculated in the manner specified in the notice.

Table B

Net earnings band	Percentage of net earnings
Not exceeding £430	Nil
Exceeding £430 but not exceeding £690	3
Exceeding £690 but not exceeding £950	5
Exceeding £950 but not exceeding £1,160	7
Exceeding £1,160 but not exceeding £1,615	11
Exceeding £1,615 but not exceeding £2,240	15
Exceeding £2,240	20

- (5) Where an amount determined under sub-paragraph (3) or (4) results in a fraction of a penny, that fraction is to be disregarded if it is half a penny or less; otherwise it is to be treated as a penny.
  - (6) The employer remains subject to the duty under sub-paragraph (2) unless and until—

- (a) The employer is notified by the Department that the notice—
  - (i) has been varied under paragraph 9,
  - (ii) has been discharged under paragraph 10, or
  - (iii) has lapsed under paragraph 11, or
- (b) the employer considers that, as a result of deductions under this Schedule, the outstanding amount is nil.