

SCHEDULE 2

DEDUCTION FROM EARNINGS

Deduction by employer: particular cases

4.—(1) Where there is a pay-day (“the relevant pay-day”) on which the employer fails to deduct the amount required under paragraph 3, the employer must on the next available pay-day or pay-days deduct—

- (a) first, the amount required to be deducted, and
- (b) then, the amount which should have been deducted on the relevant pay-day.

(2) Where there is a pay-day (“the relevant pay-day”) on which the employer deducts less than the amount required under paragraph 3, the employer must on the next available pay-day or pay-days deduct—

- (a) first, the amount required to be deducted, and
- (b) second, the difference between the amount which was deducted, and the amount which should have been deducted, on the relevant pay-day.

(3) Where there is a pay-day (“the relevant pay-day”) on which the employer deducts more than the amount required under paragraph 3, the employer must on the next available pay-day or pay-days deduct only the amount required to be deducted less the difference between the amount which was deducted, and the amount which should have been deducted, on the relevant pay-day.

(4) Where a deduction under paragraph 3 would reduce the amount paid to the liable person below the protected earnings proportion, the employer must deduct only such amount as will result in the employer paying the liable person an amount equal to the protected earnings proportion.

(5) Where the employer makes a deduction on a pay-day in accordance with the notice under paragraph 1, the employer may also deduct an amount not exceeding £1 for administrative costs; and a deduction under this sub-paragraph may reduce the amount which the employer pays to the liable person on that pay-day below the protected earnings proportion.