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STATUTORY RULES OF NORTHERN IRELAND

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**2016 No. 224**

**The Social Security (Overpayments and Recovery) Regulations (Northern Ireland) 2016**

**PART 6**

Recovery by deduction from earnings

**Interpretation of this Part**

17.—(1) In this Part—

“appropriate authority”, in relation to any recoverable amount, means—

- (a) the Department; or
- (b) the Housing Executive if the recoverable amount is recoverable by it under section 109B(4)(a)(1) of the Administration Act,

and where a notice has been issued “the appropriate authority” means the appropriate authority which issued the notice;

“notice” means a notice issued by an appropriate authority requiring an employer to make deductions from earnings to be paid by the employer to a liable person employed by that employer and to pay corresponding amounts to that appropriate authority in respect of the recovery of a recoverable amount from the liable person;

“pay-day” in relation to a liable person means an occasion on which earnings are paid to that person or the day on which such earnings would normally fall to be paid;

“protected earnings proportion”, in relation to a deduction by an employer from a liable person’s net earnings, is 60 per cent. of the liable person’s net earnings during the period to which the deduction relates, as calculated by the liable person’s employer on the relevant pay-day.

(2) In this Part, subject to paragraph (3), “earnings” means any sums payable to a person by way of—

- (a) wages or salary (including any fees, bonus, commission, overtime pay or other emoluments payable in addition to wages or salary payable under a contract of service);
- (b) pension which is paid with wages or salary (including an annuity in respect of past service, whether or not rendered to the person paying the annuity, and including periodical payments by way of compensation for the loss, abolition or relinquishment, or diminution in the emoluments, of any office or employment); or
- (c) statutory sick pay.

(3) “Earnings” does not include—

- (a) sums payable by any public department of a territory outside the United Kingdom;

- (b) pay or allowances payable to the liable person as a member of Her Majesty's forces other than pay or allowances payable by the employer to that person as a special member of a reserve force (within the meaning of the Reserve Forces Act 1996(2));
  - (c) pensions, allowances or benefits payable under any statutory provision relating to social security;
  - (d) pensions or allowances payable in respect of disablement or disability;
  - (e) guaranteed minimum pension within the meaning of the Pension Schemes (Northern Ireland) Act 1993(3);
  - (f) working tax credit payable under section 10 of the Tax Credits Act 2002;
  - (g) sums paid to reimburse expenses wholly and necessarily incurred in the course of the employment.
- (4) "Net earnings" means the residue of earnings after deduction of—
- (a) income tax;
  - (b) primary Class 1 contributions under Part 1 of the Contributions and Benefits Act;
  - (c) amounts deductible by way of contributions to a superannuation scheme which provides for the payment of annuities or lump sums—
    - (i) to the employee on retirement at a specified age or on becoming incapacitated at some earlier age, or
    - (ii) on the employee's death or otherwise, to that person's personal representative, widow, widower, surviving civil partner, relatives or dependants.
- (5) Where these Regulations refer to a notice or notification being given or sent, if sent by ordinary post to the last known address of the recipient, it is to be treated as having been given or sent on the day on which it is posted.

## Notices

- 18.**—(1) A notice must be given or sent to—
- (a) the liable person; and
  - (b) any employer of the liable person who is to make deductions from the liable person's earnings in accordance with the notice.
- (2) A notice must specify—
- (a) the full name and address of the liable person;
  - (b) the name of the employer at whom the notice is directed;
  - (c) where known, the liable person's place of work, the nature of that person's work and any staff number, payroll number or similar identifying number;
  - (d) the liable person's national insurance number;
  - (e) the deduction or rate of deduction to be made in accordance with regulation 19;
  - (f) the protected earnings proportion;
  - (g) the address to which amounts deducted from earnings are to be sent if paid by cheque; and
  - (h) details of the account into which such amounts are to be transferred if paid by direct credit transfer.

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(2) 1996 c. 14.

(3) 1993 c. 49.

(3) The notice has effect from the next pay-day which falls a minimum of 22 days after the day on which it is given or sent.

(4) References in paragraphs (1) to (3) to a notice include references to a notice as varied in accordance with regulation 24(1).

### **Amount to be deducted by employer**

**19.**—(1) This regulation applies where an employer has received from an appropriate authority a notice in respect of a liable person in the employer’s employment.

(2) Subject to the following provisions of this regulation, the employer must, each pay-day, make a deduction in accordance with paragraph (3) or (5) from the net earnings which the employer would otherwise pay to the liable person on that pay-day.

(3) Except where paragraph (5) applies, the amount to be deducted is—

- (a) where the liable person’s earnings are payable weekly, the percentage of that person’s earnings specified in column 2 of Table A in the Schedule opposite the band in column 1 of that Table within which the net earnings payable on that person’s pay-day fall;
- (b) where the liable person’s earnings are payable monthly, the percentage of that person’s earnings specified in column 2 of Table B in the Schedule opposite the band in column 1 of that Table within which the net earnings payable on that person’s pay-day fall; or
- (c) a lower amount calculated in the manner specified by the appropriate authority in the notice.

(4) Paragraph (5) applies where deductions from earnings are made to recover from the liable person the whole or part of an overpayment in respect of which the liable person has been found guilty of an offence whether under statute or otherwise.

(5) Where this paragraph applies, the amount to be deducted by the employer is—

- (a) where the liable person’s earnings are payable weekly, the percentage of that person’s earnings specified in column 2 of Table C in the Schedule opposite the band in column 1 of that Table within which the net earnings payable on that person’s pay-day fall;
- (b) where the liable person’s earnings are payable monthly, the percentage of that person’s earnings specified in column 2 of Table D in the Schedule opposite the band in column 1 of that Table within which the net earnings payable on that person’s pay-day fall; or
- (c) a lower amount calculated in the manner specified by the appropriate authority in the notice.

(6) Where any amount calculated under paragraph (3) or (5) 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.

(7) The employer must continue to make deductions in accordance with paragraph (3) or (5) unless and until—

- (a) the employer is notified by the appropriate authority that the notice—
  - (i) has been varied in accordance with regulation 24,
  - (ii) has been discharged under regulation 25,
  - (iii) has lapsed under regulation 26; or
- (b) the employer considers that, as a result of deductions under this regulation, the balance of the recoverable amount which falls to be recovered from the liable person is nil.

(8) Where, on any pay-day (“the relevant pay-day”), the employer fails to deduct an amount under paragraph (3) or (5) or deducts an amount less than the amount there specified, the employer must, on the next available pay-day or pay-days, first deduct the amount required to be deducted under paragraph (3) or, as the case may be, (5) for that pay-day and then the difference between

the amount, if any, which was deducted on the relevant pay-day and the amount which should have been deducted on that pay-day.

(9) Where a deduction made in accordance with paragraph (3), (5) or (8) 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.

(10) Where, on any pay-day (“the relevant pay-day”), the employer deducts more than the amount required to be deducted under paragraph (3) or (5), the employer must, on the next available pay-day or pay-days, deduct only the amount required to be deducted under paragraph (3) or, as the case may be, (5) less the difference between the amount which was deducted on the relevant pay-day and the amount which should have been deducted on that pay-day.

(11) Where, on any pay-day, an employer makes a deduction from the earnings of a liable person in accordance with the notice, the employer may also deduct an additional amount not exceeding £1 in respect of administrative costs and such deduction for administrative costs may reduce the amount which the employer pays to the liable person on that pay-day below the protected earnings proportion.

#### **Employer to notify liable person of deduction**

**20.**—(1) An employer making a deduction from earnings for the purpose of these Regulations must notify the liable person in writing of the amount of the deduction including any amount deducted for administrative costs under regulation 19(11).

(2) Such notification must be given or sent not later than the pay-day on which the deduction is made or, where that is impracticable, not later than the following pay-day.

(3) An employer must, within 28 days of receiving a written request from the liable person, provide that person with an explanation in writing of how the first amount referred to in paragraph (1) was calculated.

#### **Payment by employer to the appropriate authority**

**21.**—(1) Amounts deducted by an employer pursuant to regulation 19 (other than any administrative costs deducted under paragraph (11) of that regulation) must be paid by the employer to the appropriate authority by the 19th day of the month following the month in which the deduction is made.

(2) Such payment may be made by—

- (a) cheque;
- (b) direct credit transfer; or
- (c) such other method as the appropriate authority may permit.

(3) The employer must keep a record of every amount paid to an appropriate authority pursuant to paragraph (1) and of the employee in respect of whom each such amount was paid.

#### **Information to be provided by the liable person**

**22.**—(1) A liable person who has been given or sent a notice in accordance with regulation 19(1) (a) must notify the appropriate authority in writing within 7 days of each occasion on which that person—

- (a) leaves the employment of an employer named in a notice issued by the appropriate authority in respect of the liable person; or
- (b) becomes employed or re-employed.

- (2) A notification under paragraph (1)(b) must include—
  - (a) the name and address of the employer or employers if more than one;
  - (b) the amount of the liable person’s earnings or expected earnings; and
  - (c) the liable person’s place of work, nature of work and any staff number, pay roll number or similar identifying number.

### **Duty of employers and others to notify appropriate authority**

**23.**—(1) In this regulation “P” means the liable person.

(2) Where a notice is given or sent to a person who is believed to be an employer of P but P is not in that person’s employment, that person must notify the appropriate authority of that fact in writing, at the address specified in the notice, within 10 days after the day on which the notice is given or sent.

(3) In paragraph (4) “E” means an employer of P.

(4) Where E is required to make deductions under a notice and P ceases to be in E’s employment, E must notify the appropriate authority of that fact in writing, at the address specified in the notice, within 10 days after the day on which P ceased to be in E’s employment.

### **Power to vary notices**

**24.**—(1) The appropriate authority may vary a notice so as to—

- (a) decrease any amount to be deducted under regulation 19; or
- (b) with the agreement of the liable person, increase any such amount but only to the extent that such deductions will result in the employer paying the liable person an amount more than, or equal to, the protected earnings proportion.

(2) Where a notice has been varied and a copy of the notice as varied has been given or sent in accordance with regulation 18(1) and (4), any employer who is liable to make deductions under the notice must comply with the notice as varied from the day it takes effect by virtue of regulation 18(3).

### **Discharge of notices**

**25.**—(1) The appropriate authority must discharge a notice where the recoverable amount is no longer outstanding.

(2) The appropriate authority may discharge a notice where—

- (a) the notice appears to it to be defective;
- (b) the notice appears to it to be ineffective or that some other method of recovering the recoverable amount would be more effective; or
- (c) the liable person agrees with the appropriate authority to pay the recoverable amount by another method.

(3) A notice may be considered to be defective for the purpose of paragraph (2)(a) where it does not comply with the requirements of regulation 18(2) and such failure to comply has made it impracticable for an employer to comply with the employer’s obligations under these Regulations.

(4) Notification of the discharge of the notice under paragraph (1) or (2) must be given or sent to the liable person and the employer from whom deductions from the liable person’s earnings were being made.

(5) Where a notice is discharged by virtue of paragraph (2)(b) or (c) regulation 21 nevertheless applies in respect of any deductions made in respect of the employment but not yet paid to the appropriate authority.

### **Lapse of notices**

26.—(1) Where a liable person in respect of whom deductions are being made in accordance with a notice ceases to be in the employment of an employer, subject to paragraph (2), the notice is to lapse immediately after the pay-day coinciding with, or the pay-day following, the termination of the employment.

(2) Where a notice lapses by virtue of paragraph (1) regulation 21 nevertheless applies in respect of any deductions made or to be made in respect of the employment but not yet paid to the appropriate authority.

### **Crown employment**

27.—(1) Where a liable person is in the employment of the Crown and a notice is to be sent in respect of that person, then for the purposes of these Regulations—

- (a) the chief officer for the time being of the government department, office or other body in which the liable person is employed is to be treated as having the liable person in that officer's employment (any transfer of the liable person from one department, office or body to another being treated as a change of employment); and
- (b) any earnings paid by the Crown, a minister of the Crown or a government department, or out of the public revenue of the United Kingdom or Northern Ireland, is to be treated as paid by that chief officer.

(2) In this regulation "government department" includes a department of the government of the United Kingdom.

### **Priority as between notices and orders requiring deduction from earnings**

28.—(1) In this regulation—

"child support order" means a deduction from earnings order under Part 3 of the Child Support (Collection and Enforcement) Regulations (Northern Ireland) 1992<sup>(4)</sup>;

"other deduction order" means an order, other than a child support order, under any other statutory provision which requires deduction from a person's earnings.

(2) Paragraphs (3) to (8) have effect subject to paragraph (9).

(3) Paragraph (4) applies where an employer would otherwise be obliged, on any pay-day, to make deductions from the earnings which the employer would otherwise pay to the liable person on that pay-day under two or more notices.

(4) Where this paragraph applies, the employer must make deductions under any later notice as if the earnings to which it relates were the residue of the liable person's earnings after the making of any deduction to comply with any earlier notice.

(5) Paragraph (6) applies where an employer would otherwise be obliged, on any pay-day, to make deductions from the earnings which the employer would otherwise pay to the liable person on that pay-day, under one or more notices and one or more child support orders.

(6) Where this paragraph applies, the employer must first make deductions under the child support orders and then make deductions under the notices.

(7) Paragraph (8) applies where an employer would otherwise be obliged, on any pay-day, to make deductions from the earnings which the employer would otherwise pay to the liable person on that pay-day, under one or more notices and one or more other deduction orders.

(8) Where this paragraph applies, the employer must—

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(4) [S.R. 1992 No. 390.](#)

- (a) in a case where there is at least one other deduction order in effect on the first pay-day in respect of which deductions would otherwise be made under the notice, first make deductions under the other deduction orders and then under any notices;
  - (b) in any other case, make deductions under the other deduction order and the notices according to the respective dates on which they were made, disregarding any later notice or order until deductions have been made under the earlier one.
- (9) An employer may only make deductions under paragraph (4), (6) or (8) up to the extent that such deductions will result in the employer paying the liable person an amount equal to or greater than the protected earnings proportion.

### **Offences**

**29.** A person who fails to comply with any of the provisions of regulation 19(2), 21(1) or (3) or 22 is guilty of an offence punishable on summary conviction by a fine not exceeding level 3 on the standard scale.