

Direct Earnings Attachment

A More Detailed Guide

Version 11.8

This detailed guidance has been developed to complement the Guide for Employers.

It is intended to provide employers and payroll software developers with more detail and worked examples on how a DWP Debt Management Direct Earnings Attachment (DEA) should be operated.

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1.0 Foreword

We have been pleased to work with colleagues on the DWP Debt Transformation Programme who have developed this detailed DEA guidance in consultation with employer and payroll software development representatives.

The Social Security (Overpayments and Recovery) Regulations 2013 (Part 6) do not include specific detail or examples that would cover every individual circumstance and are not intended to cover low level detail, consistent with all other Social Security Regulations.

The Regulations can be amended annually through the normal legislation process if evidence suggests that a change needs to be made and we shall endeavour to amend the Regulations accordingly at the next available opportunity.

The policy for delivering DEAs has been developed to meet the legislative requirement and the operational policy of recovering debt from earnings. The detailed guidance included in this handbook has been developed to cover sufficient examples to enable a DEA deduction to be made, where applicable.

It is essential that in every case, a regular deduction is made from the employee's wages, that the deduction is in line with the tables provided and that money is paid to DWP on time.

The employer guidance provided on GOV.UK confirms the position for employers. When an employee considers the amount they owe is wrong or the amount of the deduction is wrong, they must contact the DWP.

An Employers' helpline is available for any employer who wishes to discuss a specific circumstance.

DWP Debt Policy October 2013

2.0 Introduction

The following pages provide information on DEAs and worked examples covering the types of scenarios you may deal with.

Further information on DEAs can be found in ['Direct Earnings Attachment - A Guide for Employers'](#) on GOV.UK.

3.0 Background

The Department for Work and Pensions (DWP) is responsible for recovering money owed to the state as a result of debt arising under the Social Security Administration Act 1992.

Where the Secretary of State has been unable to recover money owed to the DWP by a debtor who is no longer in receipt of benefit, in some circumstances, that money may be recovered by deductions from the debtor's earnings.

The Welfare Reform Act 2012, which became law in March 2012, allows DWP Debt Management to ask you, as an employer, to make deductions directly from a customer's earnings. This is done by asking you to operate a Direct Earnings Attachment (DEA). DWP Debt Management does not have to go through the civil courts to do this unlike, for example, the process for obtaining an Attachment of Earnings Order (AEO). A DEA2 letter (**Annex A**) will be issued to an employer as a formal notice to set up a Direct Earnings Attachment.

The legislation covering DEAs, part of the Social Security (Overpayment and Recovery) Regulations 2013 came into force on 8th April 2013. DWP Debt Management began to use DEAs from this date, as part of a revised process to recover money owed to DWP.

Note that these regulations are so far only in force in England, Scotland and Wales – and so exclude Northern Ireland, Channel Islands and the Isle of Man.

4.1 Legal Requirements

Under this legislation, on receipt of a DEA notice, you, the employer must:

- calculate a deduction based on the net earnings (using the appropriate table shown in Annex B) for each pay date
- apply a fixed amount calculated by us if we ask you to do
- make payments to DWP Debt Management for the amounts deducted (other than your administrative costs) by the 19th day of the month following the month in which the deduction is made
- ensure payments to DWP Debt Management carry the required reference that allows us to allocate to the correct debtor's account (we use the National Insurance for this purpose)
- keep a record of each employee from whom a DEA deduction has been made, together with the amount of each deduction

If you fail to comply you may be subject, on conviction, to a fine of up to £1,000.

Additionally, you have a duty to notify DWP in writing or by phone within 10 days of the DEA notice:

- when someone we have asked you to implement a DEA for does not work for you
- when, and the date from which, an employee ceases to be in your employment

5.1 Making deductions

The order has effect from the next pay day which falls on or after 22 days following the day on which it is given or sent. The period of 22 days has been put in place to allow the employer time to set up the DEA. The payment to DWP Debt Management should be received, at the latest, by the 19th of the month following the month in which you make your first deduction.

Example – DEA 2 (notice to employer to implement a DEA) issued on 2nd September 201X.

Employee is monthly paid – paid on the last working day of the month.

The Employer must implement the DEA from the first payday on or after 24th September 201X. The first payment should therefore be taken from the wage paid on 30th September 201X and must be received by DWP Debt Management by 19th October 201X at the latest.

Example – DEA 2 issued on 2nd September 201X. Employee is weekly paid – Friday pay day

The Employer must implement the DEA from the first payday on or after 24th September 201X. The first payment should therefore be taken from the wage paid on 27th September 201X and must be received by DWP Debt Management on 19th October 201X at the latest.

Each time you make a deduction you:

- may deduct £1.00* from your employees earnings towards your administrative costs for operating the order, even if this reduces your employees income below the protected earnings limit (see 7.2) and
- must inform your employee in writing about each deduction (including the amount you can deduct towards your costs) on the pay day on which it is made or, where this is impractical, not later than the following payday (see 7.15).

Please ensure that you advise your employee that deductions will be made from their wages/salary and made over to DWP Debt Management, well in advance of the pay day when the first deduction will be made.

The administration charge of £1.00 is only applied when a deduction is actually made from the earnings, and cannot be deducted on any weeks when no deduction is made. The maximum charge is £1.00 per deduction, therefore, if a deduction was for a number of weeks added together, for example holiday pay paid in advance, the administration charge would still be a maximum of £1.00.

*** Where you decide to apply an administration charge of £1.00, this deduction may bring the employees pay below the National Minimum Wage. Employers should check <https://www.gov.uk/national-minimum-wage/employers-and-the-minimum-wage>, or contact the ACAS helpline for advice.**

It is a criminal offence for employers to not pay someone the National Minimum Wage or National Living Wage.

6.1 The types of earnings from which to make deductions

Below is a list what counts and what does not count as earnings.

What counts as earnings?

- Wages
- Salary
- Fees
- Bonuses
- Commission
- Overtime pay
- Occupational pensions, if paid with wages or salary
- Compensation payments
- Statutory sick pay
- Payment in lieu of notice
- Most other payments on top of wages

What does not count as earnings?

- Statutory maternity pay
- Statutory adoption pay
- Ordinary statutory paternity pay
- Statutory Shared parental pay
- Any pension, benefit, allowance or credit paid by DWP, a local authority or HMRC
- A guaranteed minimum pension under the Pensions Scheme Act 1993 (b)
- Amounts paid by a public department of the Government of Northern Ireland or anywhere outside the United Kingdom
- Sums paid to reimburse expenses wholly and necessarily incurred in the course of the employment
- Pay or allowances as a member of His Majesty's forces, other than pay or allowances payable to them by you as a special member of a reserve force
- Statutory Redundancy Payments

You must only make a deduction from what is left from earnings after you have deducted:

- Income Tax (PAYE)
- National Insurance Contributions (primary Class 1 contributions under Part 1 of the Social Security Contributions & Benefits Act 1992)
- Superannuation contributions

The definition of superannuation should be that as applied within the application of other orders (and so will, therefore, exclude stakeholder pension contributions and Free Standing AVCs)

You must continue to calculate a DEA deduction every pay day until one of the following change of circumstances occurs:

- we advise you to stop – you may receive this request by telephone, which will be confirmed later in writing
- the employee leaves your employment
- the employee dies and the salary is paid after the date of the employee's death
- the amount to recover is no longer outstanding or
- we ask you to apply a fixed rate deduction.

7.1 Common Queries

7.2 How would I apply any rounding of the net wage?

All calculations for the purpose of a DEA which result in a fraction of a penny are rounded to the nearest whole penny, with the exact half a penny being rounded down to the nearest whole penny, as follows:

- for a net wage of £200.90 per week. $£200.90 \times 5\% = £10.045$

The weekly deduction would be £10.04

- for a net wage of £235.30 per week. $£235.30 \times 7\% = £16.471$

The weekly deduction to apply would be £16.47

- for a net wage of £235.63 per week. $£235.63 \times 7\% = £16.4941$

The weekly deduction to apply would be £16.49

- for a net wage of £1547.99 per month. $£1547.99 \times 11\% = £170.2789$

The monthly deduction to apply would be £170.28

Example: DEA calculation

for a monthly paid employee:

You receive a DEA notice from DWP Debt Management dated 25th July 201X asking you to set up deductions from your employee's salary according to Table A or B (see Annex B). Your employee is paid monthly, on the last working day of each month.

- the employer has to implement the DEA from the first payday on or after 16th August 201X (the day following 22 days from DEA 2), which in this case is 30th August 201X.
- calculate the employee's gross earnings comprising their monthly wages (including bonuses, overtime, commission but excluding SMP etc.). In this case, the gross wage is £1200
- deduct tax, NI and superannuation contributions which, in this case, is £240

That leaves net earnings of £960

- look up the appropriate percentage applicable for that monthly net wage figure within Tables A/B (Annex B)– in this example £960 would attract a deduction of 7% at Standard rate and 14% of Higher rate,, which when calculated is £67.20 (Standard rate) or £134.40 (Higher rate)
- check if, following the deduction (and deductions for any other orders in place) it still leaves the employee with 60% of net earnings (see 7.2)
- send the deduction of £67.20 or £134.40 to DWP Debt Management. The payment must reach DWP Debt Management by 19th September

201X at the latest.

- deduct £1.00 if you wish for your administrative costs *[link](#)
- pay your employee £891.80 (being £1200 less £240 less £67.20 less £1) or £824.60 (being £1200 less £240 less £134.40 less £1) and itemise the deduction on their payslip

7.3 Is there a protected earnings limit?

An employee must be left with 60% of their net earnings after the DEA deduction and deductions from any other orders have been made. If the full DEA deduction, after other orders, reduces net earnings to less than 60%, a partial DEA deduction can be made up to the protected earnings level. The protected earnings rule applies even when we ask you to apply a fixed DEA deduction rate.

7.4 How do I calculate deductions when the employee receives holiday pay in advance?

Where the amount to be paid to the employee on any pay-day includes an advance in respect of future pay, the total amount to deduct is determined by dividing the whole amount of net earnings by the number of pay periods, calculate a single deduction amount and then calculate the total deduction amount by multiplying that single deduction by the number of pay periods.

Example: for employees paid holiday pay in advance

You are operating a DEA for an employee who you pay weekly, and you pay them a weekly wage which includes an advance of holiday pay for 2 weeks.

- the net wage, after tax, NICs and superannuation contributions is £997.75, which is one week's wage of £392.15, and 2 weeks holiday pay at 302.80 per week totalling £605.60.
- calculate your employees total net earnings - £392.15 + £605.60 = £997.75
- divide this by the number of pay periods the payment is for - £997.75 / 3 (weeks) = £332.58
- identify from Table A or B the correct percentage deduction rate for weekly earnings of £332.58 (e.g. £270.01 to £375 = 11% or 22%)
- calculate the weekly deduction £332.58 x 11% = £36.5838 (£36.58) or £332.58 x 22% = £73.1676 (£73.16).
- multiply this weekly deduction by the number of weeks the payment is for in total - 3 x £36.58 = £109.74 or 3 x £73.16 = £219.48
- pay DWP Debt Management £109.74 or £219.48
- deduct a further £1.00 if you wish for your administrative costs *[link](#)

7.5 What happens if the pay includes an amount in respect of any arrears due?

You should apply the appropriate rate from Tables A or B (see Annex B) to the total net payment in the period it is received. So if for example an employee was usually paid £500 net per month but in a given month was paid £750 (to include a net payment of arrears of £250) then you should apply the deduction applicable from Table A to the monthly net earnings payment of £750. In this example, a deduction of 5% or 10% would be applied.

7.6 What happens if my employee receives a bonus?

A bonus is to be added to the income for the week or month it was paid in, if both payments were made on the same day.

If a bonus is paid within the same tax period, but separate from the monthly wage, two separate calculations are made, as illustrated in the second example below.

If a bonus is paid outside the pay period, the bonus will be added to the payment made on the following pay day.

Example: Bonus paid with a normal wage

Your employee is monthly paid, and gets paid on the last working day of the month. Their net wage on 30th August 201X was £1625.73, and, in addition, they received a bonus of £550.

- add the net wage and the bonus together. $£1625.73 + £550.00 = £2175.73$
- identify from Table A or B (Annex B) the correct percentage deduction rate for their monthly earnings = 15% or 30%
- calculate the deduction - $£2175.73 \times 15\% = £326.36$ or $£2175.73 \times 30\% = £652.72$
- pay DWP £326.36 or £652.72
- deduct a further £1.00 if you wish for your administrative costs [*link](#)

Example: Bonus paid separately from a normal wage

Your employee is monthly paid, and gets paid on the 25th of the month

On 25th September 201X he received a month's wage of £1625.73.

On 30th September 201X he received a bonus of £550.

Calculate the DEA deduction for 25th September 201X.

- calculate your employees net earnings for the month which in this case is £1625.73
- $£1625.73 \times 15\% = £243.86$ or $£1625.73 \times 30\% = £487.72$
- pay DWP £243.86 or £487.72
- deduct a further £1.00 if you wish for administrative costs [*link](#)

Add the bonus paid on 30th September 201X and the net wage paid on 25th September together.

- $£1625.73 + £550 = £2175.73$
- calculate the total deduction - $£2175.73 \times 15\% = £326.36$ or $£2175.73 \times 30\% = £652.72$
- subtract the amount already deducted - $£326.36 - £243.86 = £82.50$ or $£652.72 - £487.72 = £165.00$
- pay DWP £82.50 or £165.00
- deduct a further £1.00 if you wish for your administrative costs [*link](#)

7.7 What happens if I make a payment of salary after an employee has left my employment?

You must notify us within 10 days of your employee leaving, but should continue to apply the deduction until full and final payments of their salary have been made.

7.8 How do I calculate deductions when the employee has 2 jobs?

If you have an employee with 2 or more jobs with you, and they are paid for different pay periods (e.g. one is weekly paid and one is monthly paid), you should treat this as two separate calculations. This will mean that you should apply correct payment period from Tables A or B (see Annex B) to each of these payments, calculate the deductions separately and make a payment to DWP of a total of the two separate amounts.

However, if the employee has 2 or more jobs with you, but they are all paid on the same day for the same period, the wages can be added together and calculated as one deduction.

Example: An employee with 2 jobs

You receive a DEA notice dated 1st August 201X. Your employee is paid weekly for one job and monthly for another. The weekly pay is paid on a Friday and the monthly pay is paid on the last week day of the month. The

first deductions for each job are as follows.

- the employer has to implement the DEA from the first pay day on or after 22nd August 201X (22 days from DEA 2) which in this case is 23rd August 201X for the weekly pay, and 30th August 201X for the monthly pay.
- calculate your employees net earnings for the weekly wage paid on 23rd August 201X which in this case is £149.50
- identify from Table A or B the correct weekly percentage deduction rate i.e. £100.01 to £160= 3% or 6%
- calculate the deduction - $£149.50 \times 3\% = £4.48$ or $£149.50 \times 6\% = £8.97$
- calculate your employees net earnings for the weekly wage paid on 30th August 201X = £149.50
- identify from Table A the correct percentage deduction rate i.e. $£100 \geq £160 = 3\%$ or 6%
- calculate the deduction - $£149.50 \times 3\% = £4.48$ or $£149.50 \times 6\% = £8.97$
- calculate your employees net earnings for the first month following the 22 day period, paid on 30th August 201X, which in this case is £523.88
- identify from Table A or B the correct monthly percentage deduction rate i.e. £430.01 to £690= 3% or 6%
- calculate the deduction - $£523.88 \times 3\% = £15.72$ or $£523.88 \times 6\% = £21.43$
- for each weekly calculation you may deduct £1.00 if you wish for your administration costs
- for each monthly calculation you may deduct £1.00 if you wish for your administration costs

7.9 What shall I do if the earnings are too low to allow the full deduction?

You should not make a deduction if the net earnings are below the relevant payment period deductions threshold as shown in the Table A (Annex B).

7.10 What happens if I receive a letter from the DWP to apply a fixed amount for each pay period?

In exceptional circumstances the DWP Debt Management may agree an alternative fixed amount with your employee. In these cases, we will notify you of this amount, and this will be the fixed amount to be deducted each pay day. You will therefore be required to deduct this amount, from the next (and each subsequent) pay period following the date you receive the notice.

However, if for any pay period the earnings are below the relevant threshold within Tables A/B (Annex B), no DEA deduction can be applied.

This fixed amount applies even where the employee receives an advance of pay, such as holiday pay paid in advance. For example, the employee receives their normal weekly wage plus two weeks holiday pay. The fixed amount of £x per week would apply to both the current pay week and each weeks in advance of pay. Therefore the DEA deduction would be £x X 3.

7.11 What happens if I fail to make a deduction when it is due, or deduct an incorrect amount?

Where the incorrect amount is because a previous deduction was not made when it should have been taken, or was less than the amount which should have been deducted this is known as a shortfall and should be corrected on the next payday. You should first deduct the amount required for the current pay period, and then include the adjustment. The total to be deducted, including adjustments and other deductions in place, must not leave the employee with less than the protected earnings limit of 60% for any pay period.

Where the incorrect amount is because the deduction was more than the amount which should have been deducted, you should first deduct the amount required for the current pay period, and then reduce the amount by the excess previously taken.

It is important to note that if a deduction was not made in any week or month simply because the employees earnings were below the threshold, or the deduction was reduced in any week or month because the DEA along with other orders in place would breach the protected earnings limit of 60%, this is **not** a shortfall as described above. A shortfall only occurs when an incorrect amount has been deducted in error, or when one or more deductions have been missed.

7.12 How are loans treated?

If you lend money to your employee and then recover the loan through your employee's earnings, you must make the DEA deduction before you take any repayment towards the loan. You cannot make a deduction under a DEA from the loan when you give it to the employee.

7.13 What happens if I do not pay my employee weekly or calendar monthly?

a) Employee not paid in intervals of whole months or weeks

If your employee is paid at regular intervals, but not at intervals of a whole number of weeks or months, then net wages should be divided by the number of days. The daily deduction from Table A or B should then be used to work out the appropriate daily rate, which should then be multiplied by the number of days in the pay period.

Example: Employee is paid on the 10th, 20th and last day of each month

The pay period is 21-28 February (8 days).

- calculate your employee's net earnings for the pay period - £560
- calculate the daily rate - £560 / 8 days = £70
- identify the correct percentage rate for daily earnings from Table A or B i.e. £54.01 to £75 = 15% or 30%
- calculate the daily deduction rate - £70 x 15% = £10.50 or £70 x 30% = £21
- calculate the total DEA deduction - £10.50 x 8 = £84.00 or £21 x 8 = £168
- deduct a further £1.00 if you wish for your administrative costs [*link](#)

b) Employee is paid at intervals of whole months or weeks but not each week or month

If you pay your employee at regular intervals of whole weeks or months, but not each week or month, for example fortnightly or 4 weekly, you should simply divide the payment by the number of weeks or months to which it applies, calculate the deduction as normal and then multiply the resulting amount by the number of weeks or months to arrive at the total deduction to be paid over.

If an employee is paid 2 weekly, the total net wage is divided by 2 and the weekly rate from Tables A/B is used to check the percentage rate.

If an employee is paid 4 weekly, the total net wage is divided by 4 and the weekly rate Tables A/B is used to check the percentage rate.

Example: for a 4 weekly paid employee

Your employee is 4 weekly paid, and their next pay day is 20th September 201X.

- calculate your employees net earnings which in this case are £845.83 for four weeks
- divide this total by the number of weeks the salary is for £845.83 / 4 = £211.46
- identify from Table A the correct percentage for a weekly deduction rate i.e. £160.01 to £220 = 5% or 10%
- calculate the deduction - £211.46 X 5% = £10.57 or £211.46 x 10% = £21.14
- multiply this weekly deduction by the number of weeks paid - 4 x £10.57 = £42.28 or 4 x £21.14 = £84.56
- pay DWP £42.28 or £84.56

- deduct a further £1.00 if you wish for your administrative costs [*link](#)

Example: DEA calculation

for a monthly paid employee:

You receive a DEA notice from DWP Debt Management dated 25th July 201X asking you to set up deductions from your employee's salary according to Table A (see Annex B). Your employee is paid monthly, on the last working day of each month.

- the employer has to implement the DEA from the first payday on or after 16th August 201X (the day following 22 days from DEA 2), which in this case is 30th August 201X.
- calculate the employee's gross earnings comprising their monthly wages (including bonuses, overtime, commission but excluding SMP etc.). In this case, the gross wage is £1200
- deduct tax, NI and superannuation contributions which, in this case, is £240

That leaves net earnings of £960

- look up the appropriate percentage applicable for that monthly net wage figure within Table A (Annex B)– in this example £960 would attract a deduction of 7%, which when calculated is £67.20
- check if, following the deduction (and deductions for any other orders in place) it still leaves the employee with 60% of net earnings (see 7.2)
- send the deduction of £67.20 to DWP Debt Management. The payment must reach DWP Debt Management by 19th September 201X at the latest.
- deduct £1.00 if you wish for your administrative costs [*link](#)
- pay your employee £891.80 (being £1200 less £240 less £67.20 less £1) and itemise the deduction on their payslip

7.14 What happens if the employee receives both regular and irregular payments?

You should apply the appropriate payment period rate from Tables A/B to the regular payment and then again to the irregular payment and make two separate DEA calculations. However if both payments fall on the same pay day the payments can be combined to calculate one DEA deduction.

7.15 What happens if there are other orders in place?

The current priority of orders and other deductions such as Student Loans remains unchanged with the introduction of DEAs.

A DEA is a non-priority order and as such will always give way to any other orders that might already have been served on the employee.

If other deductions already being taken from the employee's net wage leave the employee with net earnings below 60% of the net wage before a DEA is considered, then a DEA deduction cannot be taken.

If a DEA deduction can be taken, the result of this deduction must not leave the employee with less than 60% of their net earnings. If the full DEA deduction, after other orders, reduces net earnings to less than 60%, a partial deduction can be made up to the protected earnings level.

The maximum amount which can be deducted for a Direct Earnings Attachment is 20% of the net earnings if deductions are being taken at the **Standard** rate, as illustrated in Table A, or 40% if deductions are being taken at the **Higher** rate, as illustrated in Table B (both shown in Annex B).

7.16 How do I inform the employee of the amount of deductions?

The regulations state that the employer must inform the employee of the amount of the deduction, including any administration costs, and how that amount is calculated. This information can be included on the payslip, by showing the amount with the explanation 'DEA table' or 'DEA fixed'.

8.1 Making Payments

Employers can make payments to DWP by the following methods:

- 1. BACS (Online payment)**
- 2. Cheque (Post)**
- 3. Card (Telephone)**

Further information on methods of payment can be found in the guide ['DEA – A Guide for Employers'](#) on GOV .UK

8.2 Payment schedule

DWP Debt Management requires that a payment schedule be completed and issued in order to ensure that the correct payment is allocated to the correct debtor's account – and prevents us making any unnecessary contact with you.

However, if you are making either

- a single BACS payment for one employee or
- a series of single BACS payments for a number of individual employees, or
- a card payment for one employee

you do not need to complete and issue a schedule provided that the employee's National Insurance number is given as a reference.

In all other circumstances a schedule must be completed and issued to DWP Debt Management
i.e.

- a BACS payment that consolidates a number of individual DEA deductions into one payment
- a cheque payment
- where a £0.00 deduction is being made*

Where a number of individual DEA deductions have been consolidated into one payment (either by BACS or cheque), all the individual deduction details can be entered onto one schedule provided that the total adds up to the payment made.

For each schedule entry you make, the following information **must** be included on the schedule:

- the full name for each employee the payment relates to
- the National Insurance number for each employee the payment relates to
- the amount attributable for each employee
- reason for any £0.00 deduction*
- the total payment amount (this should agree to the payment you made by BACS (online banking) or cheque
- an employer contact name and telephone number

*This is where on-going deductions have been established but for a given reason in a single pay period (for example, earnings below the earnings threshold), no deduction is being made. DWP Debt Management will be expecting a payment and need to be notified by schedule of the £0.00.

The schedule in all cases should be sent to:

Freepost DWP DEA DM

This is a one line address and you must **not** mark your envelope in any other way.

If you wish to use your own schedule, the following information must be included on the schedule:

- the full name for each employee the payment relates to
- the National Insurance number for each employee the payment relates to
- the amount attributable for each employee
- reason for any £0.00 deduction
- the total payment amount (this should correspond to the payment you made by BACS or cheque.

- an employer contact name and telephone number

Sending payment schedules via email

Following a successful trial with selected employers, DWP Debt Management have introduced an email route to receive payment schedules from employers, and are promoting it as the preferred way for payment schedules to be sent. By employers providing the data via email, the process of allocating payments to our customer records on our DWP Debt Management systems is more efficient and results in fewer queries. For data security reasons the data required for the email payment schedule is slightly different to that on the paper schedule. Our solicitors have advised that by restricting the data recorded on the email payment schedule DWP Debt Management will still have enough information to correctly allocate payments to our customer records, whilst minimising the risk of personal data being fraudulently used should the email fall into the hands of a third party. We have confirmed that schedules do not need to be encrypted before emailing.

For the email payment schedule the following information is to be supplied for each employee:

- Date of payment
- Amount
- National Insurance Number
- Initials of employee (max of 5 initials)
- Identify whether payment is by BACS or cheque
- Reason for any nil deductions

Further information for cheques only:

- Sort code
- Account Number

To participate and send payment schedules to DWP Debt Management via email we require a Declaration to be signed by an organisation/company representative with the authority to commit your organisation to the agreement. The Declaration details how the email process will work and highlights what is expected of both parties in relation to data security and liability for any loss or misuse of the information.

Use the [Direct Earnings Attachments: employer declaration form](#)

Please note that the payment schedule (an Excel template) and the email address to send it to, will only be provided to an employer once a signed Declaration has been received by post via the "Freeport DWP DEA DM" one line address. Please do **not** mark your envelope in any other way.

The email route for sending payment schedules to DWP Debt Management should only be used to send schedules relating to two or more employees. For payments relating to a single employee, please use one of the payment methods detailed within the process map in the '**DEA – A Guide for Employers**' on page 16.

The postal route for sending payment schedules remains in place should you decide to continue with the current arrangements. Should you have any queries regarding the new

process allowing payment schedules to be emailed to DWP Debt Management, please contact us on 0161 873 4654.

8.3 Payment Due Dates

Examples

- DEA deducted on 30th September 201X must reach DWP Debt Management by 19th October 201X
- DEA deducted on 1st October 201X must reach DWP Debt Management by 19th November 201X.

9.1 DEA deductions cease

You should calculate a DEA deduction every pay day until one of the following change of circumstance occurs:

- we advise you to stop
- the employee leaves your employment
- the amount to recover is no longer outstanding or
- we ask you to apply a fixed deduction rate

10.0 Local Authority DEAs

Local Authorities can use the same regulations as DWP Debt Management to implement a DEA. However, they are different organisations, and should be treated separately. This handbook relates to DWP Debt Management DEAs only. It is very important that **DWP Debt Management** DEA payments are sent to the account number and/or address detailed in the Employers Guide (referred to in 2.5.21) and **Local Authority** DEA payments are sent to the account number and/or address provided by that Local Authority.

11.1 Further help and Information

Contact DWP Debt Management on our dedicated employer helpline on **0800 916 0614**.

Annex A: DEA 2 letter - Formal notice from DWP to set up a DEA – [example text]

Dear Sir / Madam

Employee: John Andrews

Direct Earnings Attachment

Please find overleaf a Direct Earnings Attachment (DEA) for the person named above. His Majesty's Revenue and Customs has confirmed they are employed by you.

We have issued a copy of this notification to John Andrews.

Legal responsibilities

As an employer you have a legal responsibility to set up deductions from your employee's salary and pay the amounts due to us.

Further help and information

All the information you need on Direct Earnings Attachments, which includes a guidance leaflet for employers, can be found on

<https://www.gov.uk/make-benefit-debt-deductions>

As the amount to deduct is based solely on the employee's net earnings this needs to be calculated by the employer. The guidance leaflet, therefore, contains important information on how to do this.

If you have any questions about this letter please contact us on 0800 916 0614.

Yours faithfully

John Smith
Operations Manager

Direct Earnings Attachment – standard rate

Details of the person deductions should be made from:

National Insurance Number:	NP000000A
Staff payroll or reference number:	567865
Total amount to be recovered:	£200
Employee name:	John Andrews
Home address:	High Street High Town H20 1PL

When to send us payments

You should pay us the amounts taken as soon as possible after you have deducted them. Payments should reach us no later than the 19th day of the month after the month in which you have taken it. For example, if you take the money on 30 November we need it by 19 December; if you take it on 1 December we need it by 19 January.

How to pay

Please see the enclosed **DEA employer payment options** sheet for details of how to pay. You should allow at least four working days for a payment to reach us.

If you need a DEA schedule you can complete and print the online version. This is provided in the **Further Help and Information** section of the employer guidance leaflet outlined above.

Please note that you should send **all payments and schedules** (where applicable) to Freepost DWP DEA DM. This is a one line address and you should **not** mark your envelope in any other way.

The address at the top of this letter should be used for correspondence only.

If for any reason a payment will be late or you are not able to make a deduction please let us know by calling the number at the top of this letter.

DEA employer payment options

Are you making one payment for one employee or a consolidated payment for many employees?

Making one payment for one employee
Options available to make payment to DWP

Making one collective payment for many employees
Options available to make payment to DWP

BACS

Actions

Enter **DWP Debt Management bank account and sort code details** (shown below)

Enter employee's National Insurance Number in the Payment / Payee Reference field

Do not send a schedule*

Cheque

Actions

Make cheque payable to **DWP DM**

Write employee's National Insurance number on reverse of cheque

Send cheque and schedule listing employee's National Insurance Number to:
Freepost DWP DEA DM

Card

Actions

Ring 0800 916 0614 to pay by debit card

Give card details and employee's National Insurance Number

Do not send a schedule*

BACS

Actions

Enter **DWP Debt Management bank account and sort code details** (shown below)

Enter DEA in the Payment / Payee Reference field

Send a schedule listing all employees' National Insurance Numbers (to which the payment relates) to:
Freepost DWP DEA DM

Cheque

Actions

Make cheque payable to **DWP DM**

Write **DEA** on reverse of cheque

Send cheque and schedule listing all employees' National Insurance Numbers (to which the payment relates) to:
Freepost DWP DEA DM

DWP account number: 10025634
DWP sort code: 60-70-80
Payment address: Freepost DWP DEA DM

* When your payroll makes one BACS payment to DWP Debt Management for one DEA deduction from an employee's salary and the payment carries their National Insurance Number as the Payment / Payee Reference, no schedule needs to be sent.

Annex B: Table of amounts to be deducted by employer

The table below is for calculation of the deduction at the Standard Rate

TABLE A: DEDUCTIONS FROM EARNINGS RATE (Standard)			
AMOUNT OF NET EARNINGS			DEDUCTION RATE TO APPLY
(Net earnings are gross pay, less income tax, Class 1 National Insurance and superannuation contributions)			(Percentage of net earnings)
Daily Earnings	Weekly Earnings	Monthly Earnings	
Up to £15	Up to £100	Up to £430	Nil
Between £15.01 and £23	Between £100.01 and £160	Between £430.01 and £690	3
Between £23.01 and £32	Between £160.01 and £220	Between £690.01 and £950	5
Between £32.01 and £39	Between £220.01 and £270	Between £950.01 and £1160	7
Between £39.01 and £54	Between £270.01 and £375	Between £1160.01 and £1615	11
Between £54.01 and £75	Between £375.01 and £520	Between £1615.01 and £2240	15
£75.01 or more	£520.01 or more	£2240.01 or more	20

Direct Earnings Attachment (DEA)

The table below is for calculation of the deduction at the Higher Rate

AMOUNT OF NET EARNINGS			DEDUCTION RATE TO APPLY
(Net earnings are gross pay, less income tax, Class 1 National Insurance and superannuation contributions)			(Percentage of net earnings)
Daily Earnings	Weekly Earnings	Monthly Earnings	
Up to £15	Up to £100	Up to £430	5
Between £15.01 and £23	Between £100.01 and £160	Between £430.01 and £690	6
Between £23.01 and £32	Between £160.01 and £220	Between £690.01 and £950	10
Between £32.01 and £39	Between £220.01 and £270	Between £950.01 and £1160	14
Between £39.01 and £54	Between £270.01 and £375	Between £1160.01 and £1615	22
Between £54.01 and £75	Between £375.01 and £520	Between £1615.01 and £2240	30
£75.01 or more	£520.01 or more	£2240.01 or more	40



Annex C: Direct Earnings Attachment Payments Schedule for Debt Management

To: Freepost DWP DEA DM

From: Employer

Item	Amount	Week/ Mth no.	Employee's Surname followed by Forename	Staff/Reference Number	Employee's National Insurance Number	Reason for nil deduction if applicable
1	£					
2	£					
3	£					
4	£					
5	£					
6	£					
7	£					
8	£					
9	£					
10	£					

To be completed by Employer

£ This sheet total Cheque no.

Name Paid by BACS
(Tick if applicable)

Email address

Phone number Date

For DWP use only

Completed by

Date

Checked by



Direct Earnings Attachment (DEA)

The schedule overleaf must be completed:

- when making a single consolidated BACS payment in respect of more than one employee
- when making any Cheque payment
- when a £0.00 DEA deduction is due for an employee

This schedule must be returned to us at the address below, this is also the address if you are paying by cheque. **Do not** include or send any correspondence to this address.

Freepost DWP DEA DM

This is a one line address and you should **not** mark your envelope in any other way.

If you are paying by **Cheque** (Post) ensure it is payable to **DWP DM** and that it is referenced on the reverse with either a National Insurance number (if the payment is for a single employee) or the reference 'DEA' (if the payment is for more than one employee).

If you are paying by **BACS (online banking)** complete the transaction using the bank details below

DWP Debt Management bank details

Sort Code: **60 - 70 - 80**

Account Number: **10025634**

Payee Reference: If the payment is for a single employee the reference must be the employee's National Insurance Number **but** if the payment is for more than one employee, the reference must be **DEA**

If you are paying by **card** please ring the number at the top of the letter you received.

Important

The amount of the cheque or online payment must be the same as the total amount of the deductions shown on the Direct Earnings Attachment payments schedule overleaf.

Do not send cash through the post. Do not use this schedule to recover or deduct previous DWP debt.