



Our Ref: DM/MB

Dear Sir/Madam

Earnings Arrestment – What to do next?

If you have received an earnings arrestment, you will now pay a percentage of your salary directly to your creditor. Not all of your salary can be taken, there is a statutory protected minimum amount that you must be left with. A percentage of the remainder however can be taken, currently either 19%, 23% or 50% of remaining earnings depending on the amount that you earn.

Attached is a copy of the schedule for the arrestment for your information.

Creditors can also arrest your bank account. For bank account arrestments, there is also a protected minimum balance. However, with a bank account arrestment, all other funds can be frozen, except welfare benefits.

We can help

Johnston Carmichael is Scotland's largest independent and award-winning accountancy firm. We deliver debt solutions across the UK to individuals and businesses and pride ourselves in giving ethical, accurate and compassionate advice.

There are several things that you can do in this situation. You could do nothing and allow the creditor to be paid directly from your salary until the debt is repaid in full. This may impact on your ability to pay any other debts that you may have or even leave you struggling to maintain your ongoing living expenses.

You could apply to the court for 'Time to Pay' and agree an amount with your creditor that may be more affordable for you. We can provide help on how to do this.

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We can help you to review your financial position and assess if there is a requirement to look at any other options that can stop the earnings arrestment. These options include a Debt Payment Programme under the Debt Arrangement Scheme (DAS), a Protected Trust Deed or in some cases Bankruptcy.

In each instance we can provide advice and support and help you devise a plan to deal with all your debts. We can draw up a sustainable budget and look to maximise your income.

All initial advice is free and will remain so, should you require an insolvency solution, i.e. Trust Deed or Bankruptcy. Should the Debt Arrangement Scheme be the most suitable option for you, there will be a set-up fee and a monthly management fee.

Contact us

For a free consultation, you can contact us on the details below;

Telephone: 0800 111 4071

Email: moneyadvice@jcca.co.uk

We understand that confronting a debt issue can be challenging, however no debt problem is unsolvable, and we are here to help.

Yours faithfully

Martin Barr

Martin Barr
Money Advice Manager
Restructuring

SCHEDULE

TABLE A: DEDUCTIONS FROM WEEKLY EARNINGS

<i>Net earnings</i>	<i>Deduction*</i>
Not exceeding £122.28	Nil
Exceeding £122.28 but not exceeding £442.00	£4.00 or 19% of earnings exceeding £122.28, whichever is the greater
Exceeding £442.00 but not exceeding £664.50	£60.75 plus 23% of earnings exceeding £442.00
Exceeding £664.50	£111.92 plus 50% of earnings exceeding £664.50

TABLE B: DEDUCTIONS FROM MONTHLY EARNINGS

<i>Net earnings</i>	<i>Deduction*</i>
Not exceeding £529.90	Nil
Exceeding £529.90 but not exceeding £1,915.32	£15.00 or 19% of earnings exceeding £529.90, whichever is the greater
Exceeding £1,915.32 but not exceeding £2,879.52	£263.23 plus 23% of earnings exceeding £1,915.32
Exceeding £2,879.52	£485.00 plus 50% of earnings exceeding £2,879.52

TABLE C: DEDUCTIONS FROM DAILY EARNINGS

<i>Net earnings</i>	<i>Deduction*</i>
Not exceeding £17.42	Nil
Exceeding £17.42 but not exceeding £62.97	£0.50 or 19% of earnings exceeding £17.42, whichever is the greater
Exceeding £62.97 but not exceeding £94.67	£8.65 plus 23% of earnings exceeding £62.97
Exceeding £94.67	£15.95 plus 50% of earnings exceeding £94.67

