

## A-Z Guide

# Attachment Orders



Under the District Courts Act 2016, the District Court may require an employer to make deductions from the salary or wages of an employee, specified by an attachment order. An attachment order directs that money payable under a judgment of a District Court against an employee be paid by the employee's employer out of the employee's wages or salary. An order of this kind is made when the person (employee) has no other way of paying the sum ordered against them.

If the employee is also subject to deduction notices issued under the Child Support Act 1991 or the Student Loan Scheme Act 2011, those other notices take precedence over the attachment order.

## Failure to comply

Employers are legally obligated to ensure that the instructions in an Attachment Order are complied with. Attachment Orders are an important tool to help ensure that Court penalties are respected and that fines are collected. The Ministry of Justice recognises that Attachment Orders increase the administrative burden on employers and appreciates your assistance.

An employer who fails, without reasonable excuse, to comply with an attachment order may be liable on conviction in the District Court to a fine of up to \$1,000.

## Making payments

An employer can make payments authorised by an Attachment Order in either of two ways: by cheque or by direct credit. An employer can send a cheque, with a detailed schedule of payments, to the Court that issued the Attachment Order. The cheque can include payments covering Attachment Orders for one or more employees. The accompanying schedule must include the following information:

- Full name of every employee for whom deductions have been made;
- PPN (Party Profile Number) of each employee. The PPN will be stated on the Attachment Order(s);
- The amount of money deducted from each employee's pay.

Alternatively, an employer can set up a direct credit into the Ministry of Justice account. A direct credit can be set up using an automated payroll system or by sending a signed Automatic Payment (AP) authority to the Court that issued the Attachment Order. In either case, a separate direct credit must be completed for each employee.

More information on making payments can be found by getting in touch with your local district court.

## Prejudiced treatment

An employee who is the subject of an Attachment Order cannot be dismissed or be subjected to any prejudicial treatment as a result of the Attachment Order. If an employee in this position is dismissed or their position is altered it will be deemed proof that the dismissal or alteration of the position was because of the Attachment Order unless the employer can prove otherwise. In addition to the remedies and penalties under the personal grievance provisions of the Employment Relations Act 2000, an employer who dismisses or prejudicially treats an employee, within the meaning of the District Courts Act 2016, is liable to a fine of up to \$1,000 on conviction in the District Court.

The employer must notify the District Court within seven days of an employee who is the subject of an attachment order being dismissed or leaving their employment.

## Remember

- **Always call AdviceLine to check you have the latest guide**
- **Never hesitate to ask AdviceLine for help in interpreting and applying this guide to your fact situation.**
- **Use our AdviceLine employment advisors as a sounding board to test your views.**
- **Get one of our consultants to draft an agreement template that's tailor-made for your business.**

**This guide is not comprehensive and should not be used as a substitute for professional advice.**

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