

Case study: Income Scenario- Lone Parent working full-time on National Minimum Wage (NMW)

	Weekly	Yearly
<u>Income from full-time work</u>		
National Minimum Wage €8.65 x 37.5hrs	324.38	16867.76
Total Income	324.38	16867.76

Assessment of earned income against OFP

Gross weekly means	324.38	
Less statutory disregard	146.50	
177.88/2 = Gross means	88.94	
Therefore, personal rate	103.30	
Dependent children (22.00 x 2)	44.00	
Total OFP	147.30	7659.60

Tax and PRSI

Pay 16867.76; 20% tax =
3373.55

OFP 7659.60; 20% tax =
1531.92

Tax credits:

Personal credit	1760.00
One-parent credit	1760.00
Employee credit	1760.00
Total credits	5280.00

Tax due minus tax credits:
5280.00-1531.92 = 3748.08 No tax payable

3748.08 is > 3373.55; therefore negative income tax liability, thus no tax due.

PRSI

Exempt from PRSI as earning less than €339 per week.

Net Income after tax

Earned Income	324.38	16867.76
Income from OFP	147.30	7659.60

Net Income	471.68	24527.36
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Family Income Supplement

Weekly income threshold for one parent, 2 children	550.00	
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Assessable income (total after tax)	471.68	
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FIS payable (60% of 78.32)	46.99 ¹	
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<u>Early Childcare Supplement</u>	19.23	1000.00
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Total Income

OFP and earned income after tax	471.68	24527.36
FIS	46.99	2443.48
Child Benefit	73.85	3840.00
Early Childcare Supplement	19.23	1000.00
Fuel Allowance	10.04	522.00

Total Cash Income	621.79	32332.84
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Back to School Clothing and Footwear Allowance (BSCFA)

Threshold is €353.30. Therefore, this family is not eligible to qualify

Calculation of Local Authority Rent

Total weekly income	621.79
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Less disregards:

Child Benefit	73.85
Income disregard (single)	32.00
Early Childcare Supplement	19.23
Fuel Allowance	10.04

Assessable income	486.67
Rent (15% of 486.67)	73.00
-€1.00 for each dependent child ²	71.00

Eligibility for Medical Card

Weekly income limit	266.50
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Allowance for 2 children	76.00
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¹ It is important to point out that in general the amount of weekly FIS entitlement is rounded up to the next full euro. In this scenario we give the precise FIS entitlement.

² Dublin City Council (DCC) deducts a €1.00 for each dependent child. This deduction is particular to DCC and does not apply across all Local Authorities.

(38.00 x 2)

Childcare expenses 221.32

Travel expenses 21.00

Housing rent 71.00

Total guideline 655.82

Total income 471.68

This household will qualify for a medical card