

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	115.30	
Dependent children (24.00 x 2)	48.00	
Total OFP	163.30	8491.60

Tax and PRSI

Total Taxable Income

Pay 16867.76; tax @ 20% = 3373.55

OFP 8491.60; tax @20% = 1698.32

Tax credits:

Personal credit	1830.00
One-parent credit	1830.00
PAYE credit	1830.00
Total credits	5490.00

Tax due minus tax credits:

5490.00 – 1698.32 = 3791.68

3791.68 is > 3373.52 therefore negative income tax liability, thus no tax due.

PRSI

Exempt from PRSI as earning less than €352.00 per week.

Net Income after tax

Earned Income	324.38	16867.76
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Income from OFP	163.30	8491.60
Net Income	487.68	25359.36

Family Income Supplement

Weekly income threshold for one parent, 2 children 570.00

Assessable income (total after tax) 487.68

FIS payable (60% of 82.32) 49.39¹

<u>Early Childcare Supplement</u>	21.15	1100.00
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Total Income

OFP and earned income after tax	487.68	25359.36
FIS	49.39	2568.28
Child Benefit	76.62	3984.00
Early Childcare Supplement	21.15	1100.00
Fuel Allowance ²	10.39	540.00

Total Cash Income	645.23	33551.64
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Back to School Clothing and Footwear Allowance (BSCFA)

Threshold is €372.00. Therefore, this family is not eligible to qualify

Calculation of Local Authority Rent

Total weekly income 645.23

Less disregards:

Child Benefit 76.62

Income disregard (single) 32.00

Early Childcare Supplement 21.15

Fuel Allowance 10.39

Assessable income 505.07

Rent (15% of 505.07) 75.76

- €1.00 for each dependent child³ **73.76**

Eligibility for Medical Card

Weekly income limit 266.50

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 entitlement.

² Fuel allowance paid early October – late April (30 weeks). It was extended by 1 week in Budget 2008

³ 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.

Allowance for 2 children (38.00 x 2)	76.00
Childcare expenses	226.41
Travel expenses	23.00
Housing rent	73.76
Total guideline	665.67
Total income	487.68

This household will qualify for a medical card