

**Case Study: Income Scenario: Lone Parent, working part-time
on NMW**

	Weekly	Yearly
<u>Income from part-time work</u>		
National minimum wage €8.65 x 20hrs	173. 00	8996. 00

Assessment of Earned Income against OFP

Gross weekly means	173. 00	
Less statutory disregard	146. 50	
26.5/2 = Gross means	13. 25	
Therefore, personal rate	190.30	
Dependent children (24.00 x 2)	48. 00	
Total weekly OFP	238.30	12391.60

Tax and PRSI

Total Taxable Income:

Pay: 8996.00; tax @ 20% = 1799.20
OFP: 12391.60; tax @ 20% = 2478.32

Total tax due = 4277.52

Tax Credits:

Personal Credit	1830.00
One-parent Credit	1830.00
Employee Credit	1830.00

Total Credits 5490.00

5490.00 is > 4277.52, 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

OFP and wage	411.30	21387.60
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Family Income Supplement (FIS)

Weekly income threshold for one parent, 2 children 570.00

Assessable income (total after tax)	411.30
	158.70
FIS payable (60% of 158.70)	95.22 ¹

Early Childcare Supplement

€275.00 paid quarterly	21.15	1100.00
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Total income

OFP and earned income after tax	411.30	21387.60
FIS	95.22	4951.44
Child Benefit	76.62	3984.00
Early Childcare Supplement	21.15	1100.00
Fuel Allowance ²	10.39	540.00
Total cash income	614.68	31963.04

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	614.68
Less disregards:	
Early Childcare Supplement	21.15
Child Benefit	76.62
Fuel Allowance	10.39
Income disregard	32.00
Assessable income	474.52
Rent (15% of 474.52)	71.18
- €1.00 for each dependent child ³	69.18

Eligibility for Medical Card

(3 year old and 10 year old)

Weekly income limit	266.50
Allowance for 2 children (38.00 x 2)	76.00

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 late October – early 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.

Childcare expenses	84.91
Travel expenses	23.00
Housing rent	69.18
Total guideline	519.59
Total income	411.30

Therefore, this household will qualify for a medical card