

**Case Study: Income Scenario- Two Parents- One Adult working Full-time on NMW- 3 year old and 10 year old**

	Weekly	Yearly
<b><u>Full-time employment on NMW</u></b>		
Gross earned income National Minimum Wage €8.65 x 37.5hrs	324.38	16867.76
<b>Total Income</b>	<b>324.38</b>	<b>16867.76</b>

**Tax due**

Pay: 16867.76; tax @ 20% = 3373.55  
 Tax Credits:  
 Married person's credit: 3660.00  
 PAYE Credit: 1830.00  
 Total Credits: 5490.00

5490.00 is > 3373.55, therefore negative income tax liability, thus no tax due.

**PRSI due**

Threshold for employee PRSI is €352.00 per week, therefore no PRSI due.

**Income Levy**

Not subject to income levy as in receipt of full medical card

**Family Income Supplement**

Weekly income threshold for two parents, two children	590.00
Assessable income (No tax payable)	324.38
FIS payable (60% of 265.62)	159.37 <sup>1</sup>

**Early Childcare Supplement (for 1 child)<sup>2</sup>**

41.50 per month	9.58	498.00
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<sup>1</sup> It is important to point out that in general the weekly entitlement to FIS is rounded up to the next full euro. In this scenario we give the exact figure.

<sup>2</sup> Changes were announced to the Early Childcare Supplement in the 2009 Supplementary Budget. As of May 2009 the amount paid was reduced from €3.00 per month to €1.50 per month for every child under 5. As the annual update of this study is carried out in June of every year the figure of €498.00 as the annual income from the Supplement is calculated on the basis of the reduced rate of €1.50 per month. The Supplement will be abolished at the end of 2009.

### **Back to School Clothing and Footwear Allowance (BSCFA)<sup>3</sup>**

Threshold for this family is €586.00, therefore this family will qualify  
Amount of €200.00 per child per annum

7.70                      400.00

### **Total Income**

Weekly Income	324.38	16867.76
FIS	159.37	8287.24
Child Benefit	76.62	3984.00
Early Childcare Supplement	9.58	498.00
BSCFA	7.70	400.00
<b>Total Cash Income</b>	<b>577.65</b>	<b>30037.80</b>

### **Calculation of Local Authority Rent**

Total weekly income                      577.65  
(including FIS)

Less disregards:

Child benefit                                      76.62  
Income disregard (couple)                      64.00  
BSCFA    7.70  
Early Childcare Supplement                      9.58

Assessable income                              419.75

Rent (15% of 419.75)                              62.96  
- €1.00 for each dependent child<sup>4</sup>              **60.96**

### **Eligibility for Medical Card**

Weekly income limit                              266.50

Allowance for 2 children                              76.00  
(38.00 x 2)

Childcare expenses                                      nil

Travel expenses                                      58.06

Housing rent    60.96

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<sup>3</sup> Income from FIS is not included when calculating eligibility for BSCFA

<sup>4</sup> 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.

Total guideline 461.52

Total Income 324.38

**This household may qualify for a medical card**