

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

	Weekly	Yearly
<b><u>Income from part-time work</u></b>		
National minimum wage €8.65 x 20hrs	173. 00	8996. 00
<b><u>Assessment of Earned Income against One Parent Family Payment (OFP)</u></b>		
Gross weekly means	173. 00	
Less statutory disregard	146. 50	
26.5/2 = Gross means	13. 25	
Therefore, personal rate	196.80	
Dependent children (26.00 x 2)	52.00	
<b>Total weekly OFP</b>	<b>248.80</b>	<b>12937.60</b>

**Income Levy**

Earning less than €289 per week and income from OFP is exempt when calculating liability for the income levy.

**Tax and PRSI**

Total Taxable Income:

Pay: 8996.00; tax @ 20% = 1799.20  
OFP: 12937.60; tax @ 20% = 2587.52

Total tax due = 4386.72

Tax Credits:

Personal Credit	1830.00
One-parent Credit	1830.00
Employee Credit	1830.00

Total Credits 5490.00

5490.00 is > 4386.72, 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	421.80	21933.60
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### **Family Income Supplement (FIS)**

Weekly income threshold for one parent, 2 children 590.00

Assessable income (total after tax)	421.80
	168.20
FIS payable (60% of 168.20)	<b>100.92<sup>1</sup></b>

### **Early Childcare Supplement<sup>2</sup>**

(Paid for 1 child) 9.58 498.00

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

This family will qualify as their income (from wages and OFP) is below €433 per week

€200 per annum per child 7.70 400.00

### **Total income**

OFP and earned income after tax	421.80	21933.60
BSCFA	7.70	400.00
FIS	100.92	5247.84
Child Benefit	76.62	3984.00
Early Childcare Supplement	9.58	498.00
Fuel Allowance <sup>4</sup>	12.31	640.00
<b>Total cash income</b>	<b>628.93</b>	<b>32703.44</b>

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

Total weekly income 628.93

Less disregards:

Early Childcare Supplement	9.58
BSCFA	7.70
Child Benefit	76.62
Fuel Allowance	12.31
Income disregard	32.00

<sup>1</sup> 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.

<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 each 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.

<sup>3</sup> In order to be eligible for BSCFA you have to be receiving FIS or a Social Welfare payment

<sup>4</sup> Fuel Allowance paid September – May (32 weeks). It was extended by 2 weeks in Budget 2009 and increased to €20 per week.

Assessable income	490.72
	73.61
Rent (15% of 490.72 )	
- €1.00 for each dependent child <sup>5</sup>	<b>71.61</b>

**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
Childcare expenses	92.76
Travel expenses	31.56
Housing rent	71.61
Total guideline	538.43
Total income	421.80

**Therefore, this household may qualify for a medical card**

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<sup>5</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.