

Case Study: Income Scenario- Two Parents - One adult working full-time and one adult working part-time on NMW, 10 yr old and 15 yr old

	Weekly	Yearly
<u>Full-time employment on NMW</u>		
Gross earned income National Minimum Wage €8.65 x 37.5 hrs	324.38	16867.76
<u>Part-time employment on NMW</u>		
Gross earned income National Minimum Wage €8.65 x 20hrs	173.00	8996.00
Income for two adults	497.38	25863.76
<u>Income Levy</u>		
Family member working full-time subject to income levy as earning above €15,028.00 annually, therefore subject to 2% levy on gross income of €16867.76	6.48	337.36
Total income for two adults (after levy)	490.90	25526.40

Tax due

Total Pay: 25863.76; tax @ 20% = 5172.75

Tax Credits:

Married person's tax credit: 3660.00

PAYE tax credit: 1830.00

(only 1 PAYE tax credit as they are not transferable between spouses)

Total Credits: 5490.00

5490.00 is > 5172.75, therefore negative income tax liability, thus no tax due.

PRSI due

No PRSI due as each earning less than €352.00 per week

Back to School Clothing and Footwear Allowance (BSCFA)¹

The income limit for this family is €593.40, therefore they will qualify

Rate for child aged 2-11 €200.00; Rate for child aged 12-17 €305

Weekly income from BSCFA (10&15 year old) 9.71

Family Income Supplement (FIS)

Weekly income threshold for

¹ Although one has to be receiving a social welfare payment or FIS to be eligible for BSCFA, income from FIS is ignored when assessing eligibility for the BSCFA

two parent, two children family	602.00
Assessable income (total after tax & income levy)	490.90
FIS payable (60% of 111.10)	66.66 ²

Total Income

Weekly Income	490.90	25526.40
FIS	66.66	3466.32
BSCFA	9.71	505.00
Child Benefit ³ (€150 per child per month)	69.23	3600.00
Total Income	636.50	33097.72

Calculation of Local Authority Rent⁴

Weekly income (after income levy) of principal earner (including FIS)	384.56
Less disregards: Income disregard (single)	32.00
Assessable income	352.56
Rent (15% of 352.56)	52.88
Subsidiary Earner 173.00 – 32.00 = 141.00 15% of 141 = 21.15, however a maximum limit of a €19.00 contribution applies to the subsidiary earner. Rent 52.88 + 19.00	71.88
- €1.00 for each dependent child ⁵	69.88

Eligibility for Medical Card

² 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 entitlement.

³ Child Benefit was reduced by €16.00 in Budget 2010 from €166.00 to €150.00

⁴ Child Benefit and BSCFA excluded from income when calculating rent.

⁵ 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.

Weekly income limit	266. 50
Allowance for 2 children (38.00 x 2)	76. 00
Childcare expenses	12.88
Travel expenses	51.36
Housing Rent	69.88
Total Guideline	476.62
Total income	497.38

If the general rules of entitlement to the medical card are followed this household may not qualify for a medical card as there income is above the guideline. They may however qualify for a GP visit card.