

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	113.50	
Dependent children (29.80 x 2)	59.60	
Total OFP	173.10	9001.20

Tax and PRSI

Total Taxable Income

Pay 16867.76; tax @ 20% = 3373.55

OFP 9001.20; tax @20% = 1800.24

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 – 1800.24 = 3689.76

3689.76 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	173.10	9001.20
Net Income	497.48	25868.96

Family Income Supplement

Weekly income threshold for one parent, 2 children 602.00

Assessable income (total after tax) 497.48

$$602.00 - 497.48 = 104.52$$

FIS payable (60% of 104.52) 62.71¹

Early Childcare Supplement²	00.00	00.00
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Total Income

OFP and earned income after tax	497.48	25868.96
FIS	62.71	3260.92
Child Benefit ³	69.23	3600.00
Fuel Allowance ⁴	12.31	640.00

Total Cash Income	641.73	33369.88
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Back to School Clothing and Footwear Allowance (BSCFA)⁵

Threshold is €439.90. Therefore, this family is not eligible to qualify

Calculation of Local Authority Rent

Total weekly income 641.73

Less disregards:

Child Benefit 69.23

Income disregard (single) 32.00

Fuel Allowance 12.31

Assessable income

Rent (15% of 528.19) 79.23

- €1.00 for each dependent child⁶ **77.23**

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² Early Childcare Supplement abolished at the end of 2009, and has been replaced by ECCE Scheme.

³ Child Benefit was reduced in Budget 2010 by €16.00 from €166 per month to €150 for first and second child

⁴ Fuel allowance paid early October – May (€20.00 for 32 weeks)

⁵ In order to be eligible for BSCFA in the first instance you have to be in receipt of FIS or a Social Welfare Payment

⁶ 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	226.76
Travel expenses	28.28
Housing rent	77.23
Total guideline	646.49
Total income	497.48

This household may qualify for a medical card