

**Case Study: Income Scenario: One Adult 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 One Parent Family Payment (OFP)

Gross weekly means	173. 00
Less statutory disregard	146. 50
26.5/2 = Gross means	13. 25
Therefore, personal rate	188.50
Dependent children (29.80 x 2)	59.60

Total weekly OFP	248.10	12901.20
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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: 12901.20; tax @ 20% = 2580.24

Total tax due = 4379.44

Tax Credits:

Personal Credit	1830.00
One-parent Credit	1830.00
Employee Credit	1830.00

Total Credits	5490.00
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5490.00 is > 4379.44, 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	421.10	21897.20
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Family Income Supplement (FIS)

Weekly income threshold for one parent, 2 children 602.00

Assessable income
(total after tax) 602.00 - 421.10 = 180.90
180.90
FIS payable (60% of 180.90) **108.54**
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Early Childcare Supplement²

(Paid for 1 child) 00.00 00.00

Back to School Clothing and Footwear Allowance(BSCFA)³

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

(€200 per annum for 10 year old)

3.85 200.00

Total income

OFP and earned income after tax	421.10	21897.20
BSCFA	3.85	200.00
FIS	108.54	5644.08
Child Benefit	69.23	3600.00
Early Childcare Supplement	00.00	00.00
Fuel Allowance ⁴	12.31	640.00
Total cash income	615.03	31981.28

Calculation of Local Authority Rent

Total weekly income 615.03

Less disregards:

BSCFA	3.85
Child Benefit	69.23
Fuel Allowance	12.31
Income disregard	32.00

Assessable income 497.64

Rent (15% of 497.64) 74.65
- €1.00 for each dependent child⁵ **72.65**

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 The Supplement was abolished at the end of 2009 and replaced by the Early Childcare and Education Scheme.

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

⁴ Fuel Allowance paid September – May (€20.00 for 32 weeks).

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	85.04
Travel expenses	28.28
Housing rent	72.65
Total guideline	528.47
Total income	421.10

Therefore, this household may qualify for a medical card

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.