



Budget 2019

Main changes impacting your payroll from 1 January 2019



Universal Social Charge (USC)

Entry level for USC remains unchanged at €13,000.

The revised rates and bands of USC will be as follows for incomes in excess of €13,000:

- €0 to €12,012 @ 0.5% (no change);
- €12,013 to €19,874 @2% (increased from €19,372);
- €19,875 to €70,044 @4.5% (reduced from 4.75%); and
- €70,045 and above @8% (no change).



Income tax

The threshold at which people hit the higher, 40% rate, of income tax will rise by **€750** from €34,550 to **€35,300**.

With no change to the personal tax credits for employees, an individual on €70,000 per annum will see an increase of €24 in their monthly net pay.



Minimum wage

Minimum wage **increased** from €9.55 to **€9.80** per hour.



Employers PRSI

Threshold for the higher rate of employer's PRSI 10.95% will be **increased** from €376 to €386, per week.



Self Employed

Earned income credit **increased** by €200 from €1,150 to €1,350.



PAYE Modernisation

The PAYE Modernisation project involves the most significant reform of the PAYE system since its introduction in 1960. Employers will need to calculate and report their employees' pay and deductions as they are being paid. The new **real time** reporting regime will be operational for all employee payments being made from **1 January 2019**. Regular updates are available on our website for how this will effect both employers and employees.

Contact

If you have any queries in relation to the effect of Budget 2019 on your payroll please contact your usual Grant Thornton advisor.



Jillian O'Sullivan

Partner

T +353 (0)1 6805 850

E jillian.osullivan@ie.gt.com



Ann Marie Corbally

Manager

T +353 (0)1 6805 867

E annmarie.corbally@ie.gt.com

Rates and credits 2019

Tax rates	2018	2019
Standard tax rate	20%	20%
Higher tax rate	40%	40%
Standard rate band		
Single/widowed	€34,550	€35,300
Married couple one income	€43,550	€44,300
Married couple two incomes	€69,100	€70,600
One parent family	€38,550	€39,300
Home care		
Home carer credit	€1,200	€1,500
Home carer income threshold	€7,200	€7,200
Earned income		
Earned income credit	€1,150	€1,350

National Training Levy

The National Training Levy of 0.8% which is currently collected as part of the employer PRSI contribution will increase to 0.9% in 2019. This will result in a combined rate of employer PRSI and Training Levy as follows under PRSI Class A, based on the current rates of employer PRSI.

	2018	2019
Reduced rate	8.6%	8.7%
Higher rate	10.85%	10.95%



Single
€36,000



Single
€100,000



Family €85,000
'Squeezed middle income'



Family
€62,000

Single No children	2018 Pre-Budget	2019 Post Budget	Difference	% difference
PAYE	€3,540	€3,540	€0	0%
USC	€997	€943	-€54	-5%
PRSI	€1,440	€1,440	€0	0%
Total taxes	€5,977	€5,932	-€54	-1%
Take home pay	€28,223	€28,277	€54	0%

Single No children	2018 Pre-Budget	2019 Post Budget	Difference	% difference
PAYE	€27,790	€27,640	-€150	-1%
USC	€5,011	€4,871	-€139	-3%
PRSI	€4,000	€4,000	€0	0%
Total taxes	€36,801	€36,511	-€289	-1%
Take home pay	€58,199	€58,489	€289	0%

Married (Two wages) Two children	2018 Pre-Budget	2019 Post Budget	Difference	% difference
PAYE	€13,780	€13,480	-€300	-2%
USC	€2,849	€2,696	-€153	-5%
PRSI	€3,600	€3,600	€0	0%
Total taxes	€20,299	€19,776	-€453	-2%
Take home pay	€65,271	€65,724	€453	1%

Married (Two wage) Two children	2018 Pre-Budget	2019 Post Budget	Difference	% difference
PAYE	€5,180	€5,180	€0	0%
USC	€1,519	€1,436	-€83	-5%
PRSI	€2,480	€2,480	€0	0%
Total taxes	€9,179	€9,096	-€83	0%
Take home pay	€49,721	€49,804	€83	0%

*All the above figures are rounded to the nearest euro.