

Budget 2017 - main changes impacting your payroll from 1 January 2017

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% (*reduced from 1%*);
- €12,013 to €18,772 @ 2.5% (*reduced from 3%*);
- €18,773 to €70,044 @ 5% (*reduced from 5.5%*); and
- €70,045 to €100,000 @ 8% (*no change*).

Self-employed income in excess of €100,000 will continue to be subject to USC at 11%.

Medical card holders and individuals aged 70 years and over, whose aggregate income does not exceed €60,000, will now pay a maximum rate of €2.5% USC, reduced from 3%.

Income tax

The earned income credit has been increased from €550 to €950. This credit is available to taxpayers earning self-employed trading or professional income under Case I, II and III of Schedule D and to business owner/managers who are ineligible for a PAYE credit on their salary income

The home carer tax credit has been increased from €1,000 to €1,100. The home carer's income threshold remains unchanged at €7,200.



Global mobility incentives

- Special Assignee Relief Programme (SARP) extended to 2020; and
- Foreign Earnings Deduction (FED) extended to 2020, with the minimum number of days required to be spent abroad reduced from 40 to 30 days.

Minimum wage

Minimum wage increased from €9.15 to €9.25 per hour.

Contact

If you have any queries in relation to the effect of Budget 2017 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 2017

Tax rates	2016	2017	
Standard tax rate	20%	20%	
Higher tax rate	40%	40%	
Standard rate band			
Single/widowed	€33,800	€33,800	
Married couple one income	€42,800	€42,800	
Married couple two incomes	€67,600	€67,600	
One parent family	€37,800	€37,800	
Home care			
Home carer credit	€1,000	€1,100	
Home carer income threshold	€7,200	€7,200	
Earned income credit			
	€550	€950	
Universal Social Charge (USC)			
2016		2017	
First €12,012	1%	First €12,012	0.5%
Next €6,656	3%	Next €6,760	2.5%
Next €51,376	5.5%	Next €51,272	5%
Balance over €70,044	8%	Balance over €70,044	8%
Relevant income > €100,000	11%	Relevant income > €100,000	11%



Single €30,000



Family €45,000



Single €70,000



Single €115,000

Single No children	2016 Pre-Budget	2017 Post Budget	Difference	% difference
PAYE	€2,700	€2,700	€0	0%
USC	€943	€790	-€153	-16%
PRSI	€1,200	€1,200	€0	0%
Total taxes	€4,843	€4,690	-€153	-3%

Married (one wage) Two children	2016 Pre-Budget	2017 Post Budget	Difference	% difference
PAYE	€3,490	€3,390	-€100	-3%
USC	€1,768	€1,540	-€228	-13%
PRSI	€1,800	€1,800	€0	0%
Total taxes	€7,058	€6,730	-€328	-5%

Single No children	2016 Pre-Budget	2017 Post Budget	Difference	% difference
PAYE	€17,940	€17,940	€0	0%
USC	€3,143	€2,790	-€353	-11%
PRSI	€2,800	€2,800	€0	0%
Total taxes	€23,883	€23,530	-€353	-1%

Single No children	2016 Pre-Budget	2017 Post Budget	Difference	% difference
PAYE	€35,940	€35,940	€0	0%
USC	€6,742	€6,389	-€353	-5%
PRSI	€4,600	€4,600	€0	0%
Total taxes	€47,282	€46,929	-€353	-1%