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Budget 2020

Main changes impacting your payroll from 1 January 2020



Employers PRSI

As set out in last year's budget employers PRSI will go to 11.05% with effect from 2020. Thresholds for the higher rate of employer's PRSI remain the same, €386 per week.



National Training Levy

The National Training Levy of 0.9% which is currently collected as part of the employer PRSI contribution will increase to 1% in 2020. 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.

	2019	2020
Reduced rate	8.7%	8.8%
Higher rate	10.95%	11.05%



Universal Social Charge (USC) No change



Income tax

No change



Electric vehicles

0% BIK charge on qualifying electrial vehicles extended until 2022.



Key Employee Engagement Programme (KEEP) share option scheme

Amended to allow group companies to qualify and definition of qualifying employee extended to include part time workers.



Self Employed

Earned income credit **increased** by €150 from €1,350 to €1,500.



Minimum wage

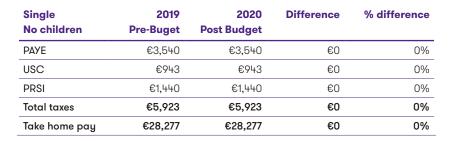
Minimum wage **increased** from €9.80 to **€10.10** per hour deferred until after Brexit, March 2020.

Rates and credits 2020

Tax rates	2019	2020
Standard tax rate	20%	20%
Higher tax rate	40%	40%
Standard rate band		
Single/widowed	€35,300	€35,300
Married couple one income	€44,300	€44,300
Married couple two incomes	€70,600	€70,600
One parent family	€39,300	€39,300
Home care		
Home carer credit	€1,500	€1,600
Home carer income threshold	€7,200	€7,200
Earned income		
Earned income credit	€1,350	€1,500



Single €36,000





Single €100,000

Single No children	2019 Pre-Buget	2020 Post Budget	Difference	% difference
PAYE	€27,640	€27,640	€0	0%
USC	€4,871	€4,871	€0	0%
PRSI	€4,000	€4,000	€0	0%
Total taxes	€36,511	€36,511	€0	0%
Take home pay	€58,489	€58,489	€0	0%

Contact

If you have any queries in relation to the effect of Budget 2020 on your payroll please contact your usual Grant Thornton advisor.



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Family €85,000 'Squeezed middle income'

Family €62,000

Married (Two wages) Two children	2019 Pre-Budget	2020 Post Budget	Difference	% difference
РАУЕ	€13,480	€13,480	€0	0%
USC	€2,696	€2,696	€0	0%
PRSI	€3,600	€3,600	€0	0%
Total taxes	€19,776	€19,776	€0	0%
Take home pay	€65,724	€65,724	€0	0%

Married (Two wage) Two children	2019 Pre-Budget	2020 Post Budget	Difference	% difference
РАУЕ	€5,180	€5,180	€0	0%
USC	€1,436	€1,436	€0	0%
PRSI	€2,480	€2,480	€0	0%
Total taxes	€9,096	€9,096	€0	0%
Take home pau	€49.804	€49.804	€0	0%







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 $^{^{*}}$ All the above figures are rounded to the nearest euro. All scenarios include a 5% pension contribution.