



# 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 electrical 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%
<b>Standard rate band</b>		
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
<b>Home care</b>		
Home carer credit	€1,500	€1,600
Home carer income threshold	€7,200	€7,200
<b>Earned income</b>		
Earned income credit	€1,350	€1,500



Single  
€36,000



Single  
€100,000



Family €85,000  
'Squeezed middle income'



Family  
€62,000

Single No children	2019 Pre-Budget	2020 Post Budget	Difference	% difference
PAYE	€3,540	€3,540	€0	0%
USC	€943	€943	€0	0%
PRSI	€1,440	€1,440	€0	0%
<b>Total taxes</b>	<b>€5,923</b>	<b>€5,923</b>	<b>€0</b>	<b>0%</b>
<b>Take home pay</b>	<b>€28,277</b>	<b>€28,277</b>	<b>€0</b>	<b>0%</b>

Single No children	2019 Pre-Budget	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%
<b>Total taxes</b>	<b>€36,511</b>	<b>€36,511</b>	<b>€0</b>	<b>0%</b>
<b>Take home pay</b>	<b>€58,489</b>	<b>€58,489</b>	<b>€0</b>	<b>0%</b>

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

Married (Two wage) Two children	2019 Pre-Budget	2020 Post Budget	Difference	% difference
PAYE	€5,180	€5,180	€0	0%
USC	€1,436	€1,436	€0	0%
PRSI	€2,480	€2,480	€0	0%
<b>Total taxes</b>	<b>€9,096</b>	<b>€9,096</b>	<b>€0</b>	<b>0%</b>
<b>Take home pay</b>	<b>€49,804</b>	<b>€49,804</b>	<b>€0</b>	<b>0%</b>

## 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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