



BUDGET SUMMARY

1. **Minimum Wage Increase:** The statutory minimum wage is to rise from €8.65 to €9.15 per hour from January 2016 as previously recommended by the Low Pay Commission.
2. **Universal Social Charge:** The entry point to the USC will rise from €12,012 to €13,000 which is to remove 42,500 workers from the scope of the charge. The three lower USC rates are to fall - the 1.5 per cent rate (on the first €12,012 earned) will be cut to 1 per cent; the 3.5 per cent rate (on income of €12,012 to €18,668) falls to 3 per cent; and the 7 per cent rate (on earnings of €18,668 to €70,044) will fall to 5.5 per cent.
3. **Self-Employed Individuals:** There will be an Earned Income Tax Credit to the value of €550 for people with earned income, such as the self-employed and farmers, who do not have access to a PAYE credit.
4. **Commercial Motor Tax:** Owners of commercial vehicles above a certain size will have their motor tax significantly reduced. The maximum rate will be €900 compared to a current top level of €5,195.
5. **Pension Levy:** The pension fund levy (now 0.15 per cent) will be abolished in 2016.
6. **The Capital Acquisitions Tax** tax-free threshold, which covers the transfer of properties between parents and their children, rises from €225,000 to €280,000.
7. **Capital Gains Tax :** A reduced Capital Gains Tax rate of 20 per cent (rather than 33 per cent) will apply to the disposal in whole or part of a business up to an overall limit of €1 million in chargeable gains.
8. **Pre-school Childcare:** Free pre-school childcare will be available for children from 3 years until they start primary education or reach the age of five and a half years.

9. **Paternity Leave:** The Government is to legislate for two weeks of statutory paternity leave.
10. **Child benefit** is to increase by €5 per month to €140 from January.
11. **Film Tax Credit:** The cap on eligible expenditure for the film tax credit is being increased to €70 million.
12. **Christmas bonus:** The Christmas bonus for social welfare recipients will be restored to 75 per cent of the recipient's weekly payment. It means a pensioner on €230 will receive a bonus of €173. A dole claimant receiving unemployment benefit of €188 will get a bonus of €141.
13. **Old Age Pension:** The old age pension will increase by €3 per week from January.
14. **Care Grant:** The respite care grant for carers will be restored to its previous level of €1,700.
15. **Fuel Allowance:** The fuel allowance will be increased by €2.50 per week to €22.50.
16. **GP Care Scheme for Children under 12:** Minister for Health Leo Varadkar will receive funding to extend the free GP care scheme to children aged under 12 (subject to negotiations).
17. **Family Income Support:** The threshold for the Family Income Support payment is to increase by €5 per week for families with one child and €10 for those with two or more children.
18. **Carers' Tax Credit:** A tax credit for people who are carers in the home rises by €190 to €1,000. The income threshold for home carers also increases.
19. **Cigarettes & Tobacco:** The excise duty on a pack of 20 cigarettes is to increase by 50 cent. The price of tobacco will rise on a pro rata basis.
20. **Residential Units:** Nama is to deliver 20,000 residential units before the end of 2020 with 90 per cent of these to be in the greater Dublin area.

Further Budget 2016 details are available from Revenue on:

<http://www.revenue.ie/en/press/budget/index.html>

Please contact us for more information on how the budget affects you and your business.

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