

It is hard to believe that this is the third year we are following the O'Reilly's, the Pigott's and bachelor Killian Magee (who has just met someone) and it will be interesting to see how they have all been treated in this Budget.

We have kept all the salaries at the same level despite them receiving salary increases, bonuses and other additional payments just so that we can get a like for like comparison for each year.

Jonathan and Teresa O'Reilly

2016

This professional couple are in their late thirties, have been married for eleven years, have three small children and live in a large midlands town. Jonathan is a Solicitor who works for himself and has built the business up over the last fifteen years. Theresa is a GP and she too has her own business with a client base built up over the last twelve years. The children are aged 10, 8 and 4 one of whom is in childcare and one of whom is incapacitated. Jonathan has a taxable income of €85k, Teresa €105k and they also have a property that yields €20k per annum in rent.

Update October 2018

Jonathan and Teresa O'Reilly's children are now 13, 10 and 7. Jonathan is now 41 and Teresa O'Reilly will celebrate her 40th birthday later this year. Budget 2019 has benefited the O'Reillys through the €10 per month in the drug payment scheme ceiling, as well as savings on tax and the USC. We will be continuing to give them the best advice at their 6 monthly review which includes managing their retirement even though they like so many others see it as well down the tracks.

Johnathan & Teresa O'Reilly

	Total 2016	Total 2017	Total 2018	Total 2019	Change YtY
	€	€	€	€	€
INCOME					
Self Employed Income	190,000	190,000	190,000	190,000	
Rental Income	20,000	20,000	20,000	20,000	
Total Income	210,000	210,000	210,000	210,000	
EXPENSES					
Annual Pension Contribution	30,000	30,000	30,000	30,000	
Mortgage repayments	24,000	24,000	24,000	24,000	
Medical Expenses	1,200	1,200	1,200	1,080	(120)
Car Loan - Insurance - Tax - Repairs	5,000	5,000	5,000	5,000	-
Petrol	1,040	1,040	1,040	1,040	-
Diesel	1,300	1,300	1,300	1,300	-
Heating Oil	2,000	2,000	2,000	2,000	-
Wine	1,000	1,000	1,000	1,000	-
Beer	500	500	500	500	-
Childcare	11,400	10,500	10,500	10,500	-
Employing a Carer	24,000	24,000	24,000	24,000	-
Income Protection Insurance	1,000	1,000	1,000	1,000	-
Other living Expenses	48,000	48,000	48,000	48,000	-
Total Expenses	150,440	149,540	149,540	149,420	(120)
TAX & LEVIES					
TAX	40,540	39,740	39,040	38,340	(700)
PRSI	8,400	8,400	8,400	8,400	
USC	12,302	11,622	11,271	11,018	(253)
	61,242	59,762	58,711	57,758	
Surplus / (deficit)	(1,682)	698	1,749	2,822	
Net Change PA		2,380	1,051	1,073	(2,822)

David and Grace Pigott

2016

David and Grace Pigott

This couple are in their mid fifties, have been married for twenty eight years, live in Dublin 6 and have two children both of whom are in college. David is a director of his own engineering company and draws a salary of €80k per annum. Grace is a primary school teacher and earns €50k per annum. They also let out a room in their home and receive a tax free income of €6k per annum. David's company pays him tax free Revenue approved mileage rates for business travel which is typically 10,000 kilometres per annum.

Update October 2018

David and Grace Pigott's two children are still living with them albeit one has completed her degree and is now working. We will keep her calculations as before so that we can give you a fair comparison based on previous years figures. The non tax savings the Pigotts achieve though the €10 per month reduction in the drug payment scheme ceiling are wiped out by the 50c per packet increase in cigarettes – but they are still about €700 per year better off due to tax and USC measures.

David's mother passed away earlier in the year. She was a widow and left everything to David and his three siblings. Based on current inheritance tax thresholds and the fact that he had not previously received any other money from her by way of a gift it is unlikely that there will be any tax liability.

David Pigott who is now 57 is meeting with us in November to discuss retirement planning and the opportunities around Retirement Relief.

David & Grace Piggott

	Total 2016	Total 2017	Total 2018	Total 2019	YtY Change
	€	€	€	€	€
INCOME					
PAYE Income	130,000	130,000	130,000	130,000	
Rent a room scheme	10,000	12,000	14,000	14,000	
Revenue approved mileage	4,815	4,815	5,624	5,624	
	<u>144,815</u>	<u>146,815</u>	<u>149,624</u>	<u>149,624</u>	
EXPENSES					
	-				
Mortgage repayments	10,000	10,000	10,000	10,000	
Medical Expenses	1,100	1,100	1,100	1,000	(100)
Non Routine dental Expenses	400	400	400	400	
Nursing Home Expenses	18,000	18,000	18,000	18,000	
Car Loan - Insurance - Tax - Repairs	7,000	7,000	7,000	7,000	
Petrol	2,500	2,500	2,500	2,500	
Diesel	1,300	1,300	1,300	1,300	
Natural Gas	1,200	1,200	1,200	1,200	
Cigarettes	1,971	2,062	2,062	2,148	86
College registration Fees	2,000	2,000	2,000	2,000	
Qualifying 3rd level tuition fees	6,000	6,000	6,000	6,000	
Other living Expenses	50,000	50,000	50,000	50,000	
Total Expenses	<u>101,471</u>	<u>101,562</u>	<u>101,562</u>	<u>101,548</u>	(14)
TAX & LEVIES					
TAX	25,100	24,700	24,280	23,780	(500)
PRSI	5,200	5,200	5,200	5,200	
USC	7,589	6,983	6,715	6,508	(207)
	<u>37,889</u>	<u>36,883</u>	<u>36,195</u>	<u>35,488</u>	
Surplus / (deficit)	<u>5,455</u>	<u>8,370</u>	<u>11,867</u>	<u>12,588</u>	
Net Change PA		<u>2,915</u>	<u>3,497</u>	<u>721</u>	(721)

Killian Magee

2016

Killian is a divorcee in his early thirties, has lived in the same apartment in the IFSC for the past eight years, works for a company in the hi tech area and earns €100k per annum. He receives share options valued at €115k per annum, contributes €10k to his pension, receives an Annual Gift Voucher valued at €500, Annual Travel Pass valued at €1,200 and has a company car with a BIK of €9k. Killian pays maintenance of €20k per annum, half of which is in respect of his children and a covenant of €3,750 to his elderly parents.

Update October 2018

His circumstances remain the same

Killian Magee

	Total 2016 €	Total 2017 €	Total 2018 €	Total 2019 €	YtY Change
INCOME					
PAYE Income	110,000	110,000	110,000	110,000	-
Annual Gift Voucher	500	500	500	500	-
Annual Travel Pass	1,200	1,200	1,200	1,200	-
Company Car- BIK Amt	9,000	9,000	9,000	9,000	-
Share Options Awarded - Income (excl BIK)	15,000	15,000	15,000	15,000	-
	<u>110,500</u>	<u>110,500</u>	<u>110,500</u>	<u>110,500</u>	-
EXPENSES					
Annual Pension Contribution	10,000	10,000	10,000	10,000	-
Natural Gas	700	700	700	700	-
Wine	500	500	500	500	-
Beer	1,000	1,000	1,000	1,000	-
Rent payable	20,000	20,000	20,000	20,000	-
Deed of Covenant - Maintenance Payments - Spouse	3,750	3,750	3,750	3,750	-
Maintenance Payments - Children	10,000	10,000	10,000	10,000	-
Other living Expenses	10,000	10,000	10,000	10,000	-
Total Expenses	<u>65,950</u>	<u>65,950</u>	<u>65,950</u>	<u>65,950</u>	-
TAX & LEVIES					
TAX	30,290	30,290	30,140	29,990	(150)
PRSI	5,160	5,160	5,160	5,160	0
USC	7,862	7,506	7,350	7,222	(128)
	<u>43,312</u>	<u>42,956</u>	<u>42,650</u>	<u>42,372</u>	
Surplus / (deficit)	<u>1,238</u>	<u>1,594</u>	<u>1,900</u>	<u>2,178</u>	
Net Change PA		356	306	278	(278)