

## INCOME

- ♦ Income is the money received by an individual or household.
- ♦ Income can come from:
  1. Pocket Money
  2. Wages/Salaries
  3. Social Welfare Assistance
  4. Child Benefit
  5. Interest on Savings
  6. Profits
- ♦ Regular Income is income that a person is guaranteed to receive  
**example:**
  1. Wages
  2. Child Benefit
- ♦ Additional Income is extra income that a person might receive for working extra hours, as a bonus, etc.
- ♦ A Wage is payment received for the hours worked or the goods produced and is usually received weekly
- ♦ A Salary is payment received regardless of hours worked or goods produced and is usually received monthly.
- ♦ Benefits-in-Kind are forms of non-money payment which some people receive from their work or from social welfare  
**example:**
  1. Company Car
  2. Low Interest Loans
  3. Free Travel
  4. Rent Allowance

Net Pay/Take Home Pay is the amount received after all deductions have been made from Gross Pay

OR

Gross Pay - All Deductions

- ♦ Gross Pay = Total Wage (Basic + Overtime) before any deductions are made.
- ♦ Basic Pay is the pay received for a standards weeks work
- ♦ **eg.**: 39 hours @ €10 per hour
  
- ♦ Overtime is extra pay for extra hours worked.
- ♦ It is usually paid at:
  1. Time and a Half
  2. Double Time
  3. Triple Time
  
- ♦ Statutory Deductions are amounts which by law must be taken from a person's wage by the employer before it is received.  
Example:
  1. P.A.Y.E.
  2. P.R.S.I.
  
- ♦ Pay As You Earn (P.A.Y.E.) is a tax paid by an employee from their wage and is used to pay for government services  
**eg.**: Education, the Gardai, the army, etc.
  
- ♦ Pay Related Social Insurance (P.R.S.I.) is taken form everyone's income and is used to pay old age pension's, unemployment benefits, sickness benefits, etc.
  
- ♦ Voluntary (Non-Statutory) Deductions are those which an employee may their employer to take from Gross Pay on a regular basis.  
**eg.**: V.H.I., Vivas, Trade Union subscriptions, contributions to a savings/pensions scheme
  
- ♦ An Employee is someone who works for someone else for payment
  
- ♦ An Employer is a person or company that pays others to work for them.
  
- ♦ Employee Records such as
  1. Application Forms
  2. C.V.'s
  3. Performance Records
  4. Contracts
  5. Income and PRSI recordsare valued for promotion, dismissal of workers and for income tax and PRSI requirements

A Wage Slip is a document given by the employer to the employee setting out

1. Gross Pay
2. Deductions Made
3. Net/Take Home Pay

Commission is pay based on the number of items sold together with a small basic wage  
**eg.**: a car sales person

Time Rate is when an employee is paid for the number of hours he/she works

Flexitime means that a worker can start and finish at times suitable to themselves and their employer

Piece Rate is when an employee is paid for the number of items they produce  
**eg.**: block layers

A Bonus is an unexpected payment which can be used as a reward for one's work and as an incentive for an employee to work hard.

Minimum Wage is the least amount of payment for work done that an employer can legally pay his/her employees

Standard Cut Off Point is the amount of an employees income that is taxed at 20%

Tax Credits are reductions allowed in the amount of income tax an employee has to pay