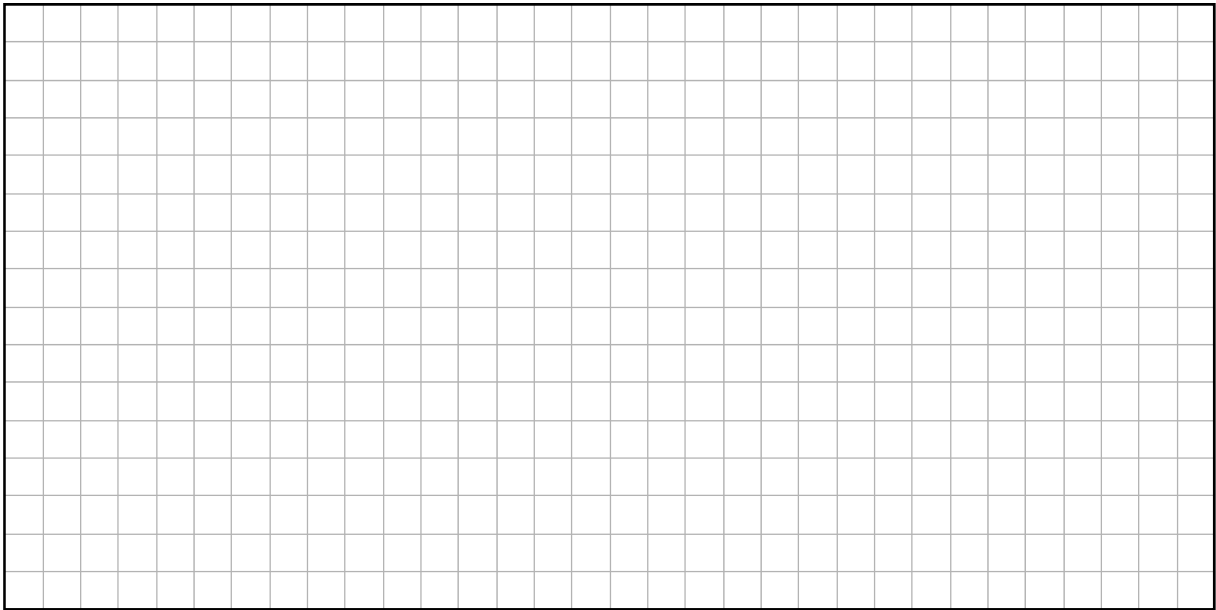


Answer **all six** questions from this section.

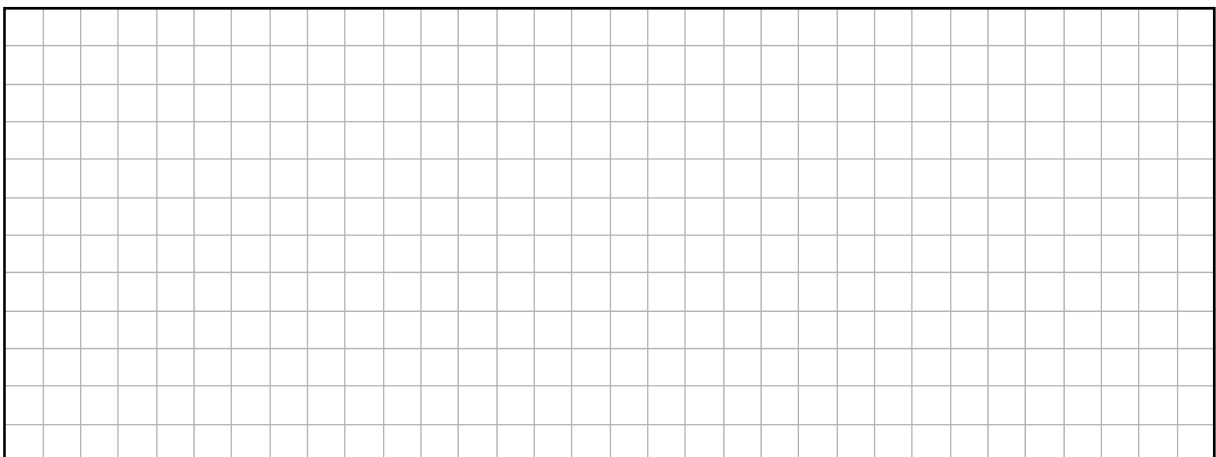
Question 1**(25 marks)**

Eimear earns a gross wage of €40 000 per annum with Company A.

- (a) Eimear pays income tax at a rate of 20% on income up to the standard rate cut-off point of €35 300. She pays tax at a rate of 40% on the remainder. She has annual tax credits of €1650. Find how much income tax she pays per annum.



- (b) Eimear pays her health insurance which costs her €1500 net. Find her annual income after paying income tax and health insurance (i.e. her net annual income).



- (c) Eimear is planning to change jobs. She is offered a job by Company B with a gross wage of €38 000 and a bonus of €1500 (tax free to Eimear) to be paid by the company, which she would use to pay her health insurance. Her tax rates and credits would remain the same. Find by how much Eimear's net annual income (after paying income tax and health insurance) will increase if she accepts the job with Company B.

