

## HOUSEHOLD EMPLOYER REPORTING REQUIREMENTS

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Do you pay an individual to perform services primarily for you at your home? Perhaps you pay a babysitter, nanny, caretaker, maid or other worker? If so, you may be a household employer and you may have tax reporting requirements.

For 2016, if you pay a household worker \$2,000 or more in wages, you will need to withhold and pay Social Security and Medicare taxes as well as file W-2 forms and unemployment tax forms. Both the employer's and employee's share of Social Security and Medicare taxes is 7.65% for a combined total of 15.3%. An employer must withhold the employee's share from wages unless he/she elects to pay the entire 15.3%. In addition, if you pay any household employee \$1,000 or more in any calendar quarter; you will be subject to federal unemployment tax and possibly state unemployment tax.

Household employer taxes are reported on Schedule H of your individual income tax return and are included in your total taxes for the year. Therefore, you may need to make estimated tax payments to avoid having to pay a penalty for underpayment of estimated tax. If you think that you may be a household employer, give us a call and we will help you sort through all of the reporting and filing requirements.