

# ***Before Hiring a Caregiver . . .***

## ***Information You Should Know!***

Basically there are three different business models on non-medical home care services for consumers to choose from. They are:

**OPTION 1** - Businesses that have caregivers as employees.

This is the safest and works out to be the most cost effective option. Hiring a reputable Non-Medical Home Care business that employs its caregivers eliminates a multitude potential problems by assuming responsibility and liability for their caregivers and pay the cost of:

- background checks
- workers compensation insurance
- appropriate state and federal taxes
- filing of all necessary tax forms
- bonding policy against theft
- professional liability and personal property damage insurance policies

**OPTION 2** - “Registries” or “placement services that have independent contractors as caregivers.

A home care or other business will provide you with names of private caregivers for you to hire privately or as an independent contractors. **Do not be fooled, either way you become their employer.** The home care or other business assumes no responsibility or liability for the caregivers as employees.

**OPTION 3** - No home care businesses are involved. You are on your own to find an honest, caring and qualified private caregiver or “independent contractor” that you want to be in your home. When you hire a private caregiver or independent contractor caregiver, **you become their employer.**

### **READ THIS BEFORE YOU HIRE YOUR OWN CAREGIVER**

- 1) You are now the employer. The IRS will expect you to withhold and pay Federal employment taxes.
- 2) The government will require you to do the following, if not, it will be considered “illegal hiring”:
  - Obtain a Federal Employer Identification number form from the IRS.
  - Pay State Unemployment Tax contributions and Workers Compensation insurance coverage
  - A schedule H (Household Employer Taxes) must be attached to your Federal Income Tax Return.
  - Provide a W-2 (Wage and Tax Statement) to the caregiver at the end of year.
  - Form W-3 (Transmittal of wage and Tax Statement) must be filed with government.
  - Verify Form I-9 (Employment Eligibility Verification) to establish caregiver is legal and allowed to work.
- 3) You will be responsible to schedule a reliever. The caregiver will need to schedule days off and provide relief for emergencies.
- 4) Should you decide to lay off your caregiver, he or she can go to the state unemployment office and file a claim for unemployment benefits. You will then be liable to pay penalties to the IRS and explain to the government for hiring an illegal worker.
- 5) Should you hire a caregiver who has unknown identity, character and immigration status, you will have little recourse should there be theft or abuse.
- 6) An untrained, inexperienced caregiver increases the risk factor of something counterproductive happening.
- 7) Should your caregiver be injured on the job, they will place a claim with worker’s compensation. If you have not paid for coverage, you are now liable.