



Household Employees

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Household Employees

If you have a household employee, you may need to withhold and pay Social Security and Medicare taxes (FICA), pay federal unemployment tax (FUTA), or both.

Workers Who Are Household Employees

A household employee is an employee hired to perform work in or around your home. The worker is an employee if you can control both what and how work is done. It does not matter whether the work is full-time or part-time or that the worker was hired through an agency or association. It also does not matter whether the worker is paid on an hourly, daily, or weekly basis, or by the job.

Note: If the worker usually provides his or her own work tools and offers services to the general public, he or she is an independent contractor and not a household employee.

Household Workers

Some examples of workers who do household work include the following.

- Babysitters age 18 or older.
- Caretakers.
- Domestic workers.
- Drivers.
- Health aides.
- Housecleaning workers.
- Housekeepers.
- Maids.
- Nannies.
- Private nurses.
- Yard workers.

Workers Who Are Not Household Employees

If only the worker can control how the work is done, the worker is not a household employee but is self-employed. A self-employed worker usually provides his or her own tools and offers services to the general public as an independent business. A worker who performs child care services in his or her own home generally is not a household employee.

A worker hired through an agency is not your employee if the agency is responsible for who does the work and how it is done.

Household Employment Taxes

If you have household employees, you must file Schedule H (Form 1040), *Household Employment Taxes*, to report FICA tax, FUTA tax, and federal income tax withholding (if any).

Form W-2 must be filed for each of your household employee who was paid Social Security or Medicare wages of \$2,600 (2023) or more, or wages of any amount if federal income tax was withheld.

If you are required to file Schedule H (Form 1040) with your 2023 individual tax return you must obtain an Employer Identification Number (EIN) by January 31, 2024.

FICA

The Social Security tax pays for old-age, survivors, and disability benefits for workers and their families. The Medicare tax pays for hospital insurance. Both you and your household employee may owe Social Security and Medicare taxes. For 2023, the employer and employee share is 7.65% (6.2% for Social Security tax and 1.45% for Medicare tax) of your employee's FICA wages. You are responsible for remitting both your employee's and your share of the taxes. Typically, your employee's share is withheld from his or her wages and submitted with your payment.