

Home Helpers Elgin

Making Life Easier in the Chicagoland Area

Home Helpers Elgin Helps You Avoid Tax Headaches

Posted on June 6, 2011 by kaypetrick

When deciding whether to hire a home care worker through a service provider such as Home Helpers Elgin, or to simply employ one directly, many people are unaware of the inherent cost, time and headaches involved with being a household employer.

By hiring a household worker like a caregiver, you take on the responsibility of all the paperwork and fact-checking of an employer. You are legally obligated to do all of the following:

- Make sure that if employees are not U.S. citizens, they are legal immigrants with the proper paperwork to gain employment in the U.S. No matter where you stand on the immigration issue, you are still liable to be fined and even prosecuted for employing an illegal immigrant, thus exposing you and your family to financial and legal troubles that could otherwise be avoided.
- Withhold all Social Security, Medicare and Federal Income taxes. To see examples, click [here](#) for the IRS publication 926: *Household Employer's Tax Guide*.
- Withhold Federal Unemployment Taxes (FUTA) and state unemployment taxes.
- File W-2 forms and the Schedule H form. According to the IRS *Household Employer's Tax Guide* you should also keep your copies of Schedule H or other employment tax forms you file and related Forms W-2, W-3, W-4, and W-5. You must also keep records to support the information you enter on the forms you file. If you must file Form W-2, you will need to keep a record of your employee's name, address, and social security number.

Failure to withhold and properly pay any of these taxes can result in unwanted attention from the IRS. By failing to pay or properly file these taxes, you will owe not only the taxes themselves, but the interest on the taxes, the penalties and the interest on the penalties. The IRS can put liens on your house and your car, and you cannot get out of tax debt by filing bankruptcy. Also, once you receive one of these calls and penalties from the IRS, they tend to keep close tabs on all your tax forms. If they decide that your intent was criminal, they can press criminal charges.

While we know you do not intend to skimp on your taxes, it is easy to make an error when dealing with all that paperwork. Even if you go through an agency that pairs you with candidates, but you then hire your employees directly, you are still responsible for all the paperwork and tax duties that come with being an employer. Few household workers are seen by the IRS as independent contractors.

With Home Helpers Elgin, since all our Caregivers are employed and paid by us, you are not responsible for any tax or immigration forms. It is one of the many ways Home Helpers makes life easier.

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One Response to *Home Helpers Elgin Helps You Avoid Tax Headaches*



Megan says:

August 12, 2011 at 5:40 pm

I never realized there were so many tax related issues in Home Care. Thanks for the helpful information!

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