

WHAT YOU NEED TO KNOW IF YOU HIRE HOUSEHOLD HELP

For tax year 2007



The information presented is current as of this publication's print date. Visit our Web site at www.nystax.gov for up-to-date information.

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General

If you hire household help (domestic help), such as a housekeeper, babysitter, or caretaker, you take on certain tax responsibilities as an employer. This publication provides a summary of your tax duties and a description of the forms you may need to use.

If you contract with a service to provide household help, you are **not** considered an employer and are not subject to employer filing requirements.

For federal information regarding household help, see Internal Revenue Service (IRS) Publication 926, *Household Employer's Tax Guide*. (See, *Federal forms and publications*, on page 11 of this publication for information on how to obtain forms and publications from the IRS.)

Is your employee(s) eligible to work in the U.S.?

The Immigration Reform and Control Act of 1986 requires employers to verify that new employees are eligible to work in the United States. If you employ someone to do work in your home on a regular basis (once a week, for instance), you must maintain records showing that your household employee is eligible to work in the United States.

You and your employee must complete the United States Citizenship and Immigration Services (USCIS) Form I-9, *Employment Eligibility Verification*, no later than the first day of work. You must keep this form for three years after the date the employee is hired or one year after the date that employment ends, whichever is later.

Form I-9 does **not** need to be completed for a person hired before November 7, 1986, or for a person hired to do household work in your home on an occasional basis.

To order federal Form I-9 or other forms from the USCIS, call the USCIS Forms Request Line at 1 800 870-3676, or access their Web site (www.uscis.gov).

To get additional information on the Federal Immigration Reform and Control Act, contact one of the following offices:

U.S. Citizenship and Immigration Services
Albany Sub Office
1086 Troy-Schenectady Road
Latham, NY 12110
(518) 220-2100

U.S. Citizenship and Immigration Services
New York City District Office
Jacob Javits Federal Building
26 Federal Plaza
New York, NY 10278
1 800 375-5283

U.S. Citizenship and Immigration Services
Buffalo District Office
Federal Center
130 Delaware Avenue
Buffalo, NY 14202
(716) 551-4741

For general information about the employment eligibility verification process or other immigration-related employment matters, contact the USCIS Office of Business Liaison at 1 800 357-2099.

Federal employer identification number

You must have a federal employer identification number (EIN) if you pay wages to one or more household employees.

You can obtain your federal EIN online (www.irs.gov/businesses/small/), through the mail (federal Form SS-4, *Application for Employer Identification Number*), or by calling the IRS Business and Specialty Tax Line at 1 800 829-4933.

You should have a federal EIN prior to registering as an employer with New York State (see, *New employer registration* on page 8 of this publication).

Reporting newly hired or rehired employees

All employers must report to the New York State Department of Taxation and Finance certain identifying information about each newly hired or rehired employee working in the state **within 20 days** of the hiring date.

The hiring date is the first day compensated services are performed by your employee. This would be the first day any services are performed for which your employee will be paid wages or other compensation.

You must provide the following information for each newly hired employee:

- employee name (first, middle initial, last)
- employee address (street, city, state, and ZIP code)
- employee social security number
- hire date (optional)
- employer name
- employer address (street, city, state, and ZIP code)
- your employer identification number (assigned by IRS)

You can report new hire information electronically by accessing the Tax Department's New Hire Web site (www.nysnewhire.com).

You can also report the required information by submitting a completed and legible copy of your employee's federal Form W-4, *Employee's*

Withholding Allowance Certificate, (available on the IRS Web site (www.irs.gov)) or an equivalent form, to:

New York State Tax Department
 New Hire Notification
 PO Box 15119
 Albany, NY 12212- 5119

or by fax to (518) 869-3318.

For more information on the new hire reporting program and your responsibilities and requirements, see Publication NYS-50, *Employer's Guide to Unemployment Insurance, Wage Reporting, and Withholding Tax*, or access www.nysnewhire.com.

Unemployment insurance, wage reporting, and withholding tax

If you hire an employee, you are subject to the laws requiring the withholding of federal social security taxes, as well as federal and state income taxes. You are also responsible for paying the applicable state and federal agencies for unemployment insurance and for workers' compensation and disability insurance (if applicable).

If you are liable for New York State unemployment insurance or you and your employee agree to withhold New York State income tax from your employee's wages, you must file Form NYS-45, *Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Return*, and Form NYS-45-ATT, *Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return - Attachment*, if applicable.

Form NYS-45 is due the last day of the month following the end of the quarter as follows:

<u>Quarter</u>	<u>Due Date</u>
January 1 to March 31	April 30
April 1 to June 30	July 31
July 1 to September 30	October 31
October 1 to December 31	January 31

When the due date falls on a Saturday, Sunday, or legal holiday, returns are due on the next business day. Although the fourth quarter unemployment insurance report is due on January 31, the wage reporting and annual employee wage and withholding information may be filed on or before February 28. If you elect to file this information after the Form NYS-45 due date of January 31, you must report it on a separate Form NYS-45-ATT(s) or on magnetic media.

Failure to provide the required information or to file the required forms may result in civil or criminal penalties, or both.

The following sections provide general information on registering as an employer with New York State, New York State unemployment insurance, New York State wage reporting, and New York State income tax withholding.

For additional information (including New York City and Yonkers withholding tax requirements, if applicable), see Publication NYS-50, *Employer's Guide to Unemployment Insurance, Wage Reporting, and Withholding Tax*, Publication NYS-50-T, *New York State, New York City, and Yonkers Withholding Tax Tables and Methods*, or call our Withholding Tax Information Center at 1 877 698-2910.

New employer registration

New employers can obtain information on how to register for unemployment insurance, wage reporting, and withholding tax by contacting either the New York State Department of Labor (DOL) or the New York State Tax Department. You should have your federal employer identification number (EIN) before you register as an employer with New York State.

- **New York State Department of Labor**
Internet access: www.labor.state.ny.us
Telephone assistance: is available from 8:30 a.m. to 4:25 p.m. (eastern time) Monday through Friday by calling 1 888 899-8810 or (518) 485-8589.
- **New York State Tax Department**
Internet access: www.nystax.gov
Telephone assistance is available from 8:00 a.m. to 5:00 p.m. (eastern time), Monday through Friday by calling 1 877 698-2910.

New York State unemployment insurance

If you pay cash wages totaling \$500 or more in a calendar quarter to persons employed as a household employee in your home, you are required to pay New York State unemployment insurance taxes.

If you pay less than \$500 cash wages in a calendar quarter, you may choose to cover your employee(s) for unemployment insurance.

If you are liable for unemployment insurance taxes, each quarter you must file Form NYS-45 and Form NYS-45-ATT, if applicable.

Note: If you pay cash wages totaling \$1,000 or more in any calendar quarter in the current or preceding year, you must also pay federal unemployment taxes. Contact the IRS for federal information.

For additional information on New York State unemployment insurance, see Department of Labor Publication IA 318D, *Householder's Guide for*

Unemployment Insurance, or you may call the Department of Labor at 1888 899-8810.

You may obtain Publication IA 318D on-line (www.labor.state.ny.us) or by writing to:

New York State Department of Labor
Registration Subsection
WA Harriman Campus
Albany, NY 12240-0339

New York State wage reporting

If you are liable for New York State unemployment insurance contributions, you must file employee **wage reporting** information each calendar quarter using Form NYS-45 and Form NYS-45-ATT, if applicable.

New York State withholding tax

Wages you pay to your household help are taxable income to that employee(s). Your employee must report those wages on his or her federal and state personal income tax returns.

Withholding income tax (federal or New York State) from wages paid to household employees is **voluntary** on your part and your employee. If you and your employee voluntarily agree, federal or New York State income tax, or both, may be withheld. In addition, you may agree to withhold for New York City or Yonkers income tax, or both.

If you and your employee agree to withhold New York State income tax from your employee's wages, your employee should use Form IT-2104, *Employee's Withholding Allowance Certificate and Instructions*, to determine the number of withholding allowances to claim for withholding tax purposes. You will then use this information to determine the amount of tax to withhold.

If you withhold income tax from your employee, you must file Form NYS-45 and Form NYS-45-ATT, if applicable, each calendar quarter. Returns are mailed to registered employers before the quarter ends. A registered employer, who does not receive the tax forms, should call the Withholding Tax Information Center.

If you withhold New York State income tax from your employee(s) during a calendar quarter, you may also be required to file Form NYS-1, *Return of Tax Withheld*. You must file Form NYS-1 and remit the total tax withheld after each pay period that causes the total accumulated tax required to be withheld to equal or exceed \$700. For more information, see the instructions for Form NYS-1.

Workers' compensation and disability benefits

If you employ one (or more) household employee(s) who works for you 40 hours or more per week, you are subject to the Workers' Compensation Law and the Disability Benefits Law. Information about these benefits and the necessary forms are available through private insurance carriers, or by contacting your local office of the State Insurance Fund (see the *Government Listing* pages of your phone book). You can also get information on current rates for workers' compensation/disability insurance by calling the State Insurance Fund at 1 866 NYSIFDB (1 866 697-4332) or by visiting their Web site (www.nysif.com).

Persons you hire part-time to do yard work or casual chores in and about your home are not covered by the Workers' Compensation Law and the Disability Benefits Law. However, coverage is required when you employ a minor to operate power-driven machinery, including a power lawnmower. Also, you may voluntarily purchase insurance for employees not protected by the law.

Social security and medicare

Although you are not required to withhold income tax on wages paid to a household employee(s), you are liable for your household employee's social security and medicare taxes if you pay that employee cash wages of \$1,500 or more in a calendar year.

For more information on federal income tax withholding and social security and medicare taxes, see IRS Publication 15, (Circular E), *Employer's Tax Guide*. (For information on how to obtain forms and publications from the IRS, see, *Federal forms and publications*, on page 11 of this publication.)

New York State forms and publications

New York State tax forms and publications can be accessed on the Tax Department's Web site (www.nystax.gov). In addition, the Tax Department provides a fax-on-demand ordering system. If you have access to a fax machine, you may order many forms and other documents from a touch-tone telephone, 24 hours a day, 7 days a week by calling toll free 1 800 748-3676. You may also request most of these documents listed below by calling toll free 1 800 462-8100. From areas outside the U.S. and outside Canada, call (518) 485-6800.

The following is a list of New York State tax forms and publications referred to in this publication:

- Form NYS-100, *New York State Employer Registration for Unemployment Insurance, Withholding, and Wage Reporting*
- Form IT-2104, *Employee's Withholding Allowance Certificate and Instructions*
- Form NYS-1, *Return of Tax Withheld*

- Form NYS-45, *Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Return*
- Form NYS-45-ATT, *Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return - Attachment*
- Publication NYS-50, *Employer's Guide to Unemployment Insurance, Wage Reporting, and Withholding Tax*
- Publication NYS-50-T, *New York State, New York City, and Yonkers Withholding Tax Tables and Methods*

New York State Department of Labor (DOL) Publication IA 318D, *Householder's Guide for Unemployment Insurance*, and Form NYS-100, *New York State Employer Registration for Unemployment Insurance, Withholding, and Wage Reporting*, are available on the DOL Web site (www.labor.state.ny.us) or by calling 1888 899-8810.

Federal forms and publications

Internal Revenue Service (IRS) forms and publications are available on their Web site (www.irs.gov) or by calling toll-free 1 800 829-3676.

The following is a list of IRS forms and publications referred to in this publication:

- Form SS-4, *Application for Employer Identification Number*
- Form W-4, *Employee's Withholding Allowance Certificate*
- Publication 926, *Household Employer's Tax Guide*
- Publication 15, (Circular E), *Employer's Tax Guide*

US Citizenship and Immigration Service (USCIS) Form I-9, *Employment Eligibility Verification*, is available on their Web site (www.uscis.gov), or call the USCIS Forms Request Line at 1 800 870-3676.

Electronic Services

The NYS Department of Taxation and Finance is continuing its efforts to provide our customers – the citizens and businesses of this state – with world-class service. We are using the latest technology to develop innovative ways to better serve you. Many of these initiatives are available on the Department's Web site at

www.nystax.gov



Services currently available include . . .

- Visit our Taxpayer Answer Center to find answers to frequently asked tax questions.
- Determine if you are eligible for free e-filing with FreeFile.
- Learn how to e-file, the fastest and most accurate way to file your return.
- Apply for an automatic six-month extension of time to file your return.
- Make estimated tax payments, check your balance, and reconcile your estimated tax account balance.



- Check the status of your current year income tax refund.
- Pay your income taxes by credit card and electronic funds withdrawal.
- Use the penalty and interest calculator.
- View and pay open assessments.
- Check out our available online services for businesses.
- Sign up for our free e-mail Subscription Service to receive notification of Tax Department updates and technical guidance.

www.nystax.gov

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Need help?



Internet access: www.nystax.gov

Access our Answer Center for answers to frequently asked questions; check your refund status; check your estimated tax account; download forms, publications; get tax updates and other information.



Fax-on-demand forms: Forms are available 24 hours a day, 7 days a week.

1 800 748-3676



Telephone assistance is available from 8:00 A.M. to 5:00 P.M. (eastern time), Monday through Friday.

Refund status: 1 800 443-3200

(Automated service for refund status is available 24 hours a day, 7 days a week.)

To order forms and publications: 1 800 462-8100

Personal Income Tax Information Center: 1 800 225-5829

From areas outside the U.S. and outside Canada: (518) 485-6800



Hotline for the hearing and speech impaired: If you have access to a telecommunications device for the deaf (TDD), contact us at 1 800 634-2110. If you do not own a TDD, check with independent living centers or community action programs to find out where machines are available for public use.



Persons with disabilities: In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, please call 1 800 225-5829.