

# Becoming a Household Employer

Once you hire a nanny either on your own or through an agency, you become the nanny's employer. In addition to providing the nanny's salary a number of additional expenses are associated with in-home care.

Here's a look at what's involved.

## **Social Security taxes and other employer-related tax obligations**

Consult your local IRS office or visit the IRS web site (<http://www.irs.gov>) for the most up-to-date and comprehensive information for your area.

## **Workers' Compensation insurance**

Your state of residence determines whether or not you are required to pay for Workers' Compensation insurance. Talk to your insurance carrier.

## **Automobile Insurance**

Check with your auto insurance representative to determine if your coverage should include the nanny.

## **Unemployment Tax**

Requirements vary by state. Consult your local unemployment office.

## **Health insurance**

Some families offer their nannies health insurance. Its importance as a component of compensation. This may depend on how tight the nanny market is in your area.

## **Room and Board**

Consider the value of room and board when you determine a live-in nanny's salary.