

## Tax Tools & Compliance

Having a solid understanding of how tax regulations affect your household is essential to both the success of bringing one of our candidates into your home while also maintaining all the legal expectations of employing a US Citizen using proper IRS classifications. Navigating the inherent protections given to Employees early on will ensure that your experience is smooth with no surprise fines down the road.

Is a domestic worker an Independent Contractor (1099)?

- No
  - o Due to the nature of work being completed within a household, a 1099 designation cannot be assigned because the heads of household maintain the rights to control the worker's schedule with the freedom to assign when and how the work is being done.
    - This disqualifies the worker from a 1099 designation based upon IRS tax codes,
    - 1099 Contractors can freely control their work environment, fees, and set their own work schedule.
    - Additionally, they retain the freedom to work for any Clients they choose when they want to do so without any prior approval.
    - Furthermore, they provide their own equipment and often build that cost into the rate they are charging.
  - o For more information, please visit the IRS website for their breakdown and criteria: [Independent Contractor \(Self-Employed\) or Employee? | Internal Revenue Service \(irs.gov\)](#)
  - o An easy read that breaks things down nicely: [1099 Vs. W-2 : What's The Difference? – Forbes Advisor](#)

The setup and maintenance of Payroll, as well as tax compliance is the responsibility of the Employer (You) for any worker that is paid \$2,300 or more in any calendar year.

*The Nanny Network/Family Rolodex does not employ nor contract our Candidates, holding no liability stemming from misclassifications done by Heads of Household.*