

Tax News for the Nanny Industry

To the family:

- Taxing a temporary or permanent nanny...
- She is YOUR employee.
- But you do not need to do “payroll” taxes.
- If you pay a temporary employee less than \$1400.00/year, you are NOT required to withhold any taxes. Remember this number, because anything over it, you will need to worry about taxes.
- Anything over \$1400.00, you are required to withhold taxes from the nanny’s salary, plus pay employer payroll taxes.
- These are quarterly reportings.
- With this in mind, there are benefits you may receive in reporting these taxes. Refer to the websites listed at the bottom of the page for additional information.

To the nanny...

- You will be responsible for “keeping up with” the amount of money earned from your temporary as well as your permanent position/s.
- You are responsible for your earnings on federal and state income taxes.

Important Resources...

www.irs.gov

www.moneycentral.msn.com

www.bankrate.com

www.taxesites.com

www.1040.com

P.S.

If you have further concerns, you may want to advise a tax consultant/C.P.A.

If you need any referrals, please feel free to contact Karoline’s Nannies and we will be happy to assist you.