

## 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.

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

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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.

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### **Workers' Compensation insurance**

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

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### **Automobile insurance**

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

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### **Unemployment tax**

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Requirements vary by state. Consult your local unemployment office.

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### **Health insurance**

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

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### **Room and board**

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