

Understanding Legal Pay

If it is your first time hiring a nanny through an agency, you may not be familiar with the laws and industry standards regarding paying your nanny legally, or "on the books". For the caliber of nanny we work with, legal pay is standard and we educate all of our families around the importance of legal pay. We also work with HomeWork Solutions, who provides free consultations to any of our families, as well as special agency rates on domestic payroll and tax prep.

If you hire a nanny, housekeeper, assistant, or aide to help in any aspects of your home, you are considered a domestic employer. The federal tax cut-off for paying taxes is \$2,700 (2024).

What taxes will I pay?

Social Security & Medicare Taxes

Federal Unemployment Tax (FUTA)

State unemployment and disability insurance taxes levied on the employer.

How could not paying my employee legally impact me?

Potential IRS audits, fines, back taxes and/or jail time

Potential lawsuits from former employees

Inability to prove you have given wages to employees

What taxes will my employee pay?

Employee Social Security & Medicare Taxes

Federal/State/Local Income Taxes

How could not paying my employee legally impact their future?

Inability to rent an apartment or buy a home or lease a car due to lack of verifiable income

Inability to defer college loans due to lack of verifiable income

Potential IRS audits, fines, back taxes and/or jail time

Failure to think of their role with your family as a real job or serious commitment

Why does Adventure Nannies care if I pay my employee legally or not?

Well - we care about you! We feel that our responsibility to your family extends past introducing you to candidates, and want to ensure that we are providing you with the full spectrum of information you need when launching a search with us.

We also get to know our candidates very well and want to be sure that we are encouraging them to pursue legal opportunities that will align with their personal and professional goals.

How do I find out more?

We are proud to partner with HomeWork Solutions, a domestic payroll company that has been helping families just like yours sort out payroll and taxes for many years. We are happy to put you in touch with them at any point during your search so that you can have a free consultation with them and access their agency pricing for your own payroll needs!