



Hiring Household Help

Introduction

If you hire household help, such as a housekeeper, babysitter, or caretaker, your responsibilities as a New York State employer may include:

- registering as a new employer,
- reporting a newly hired employee,
- paying unemployment insurance,
- withholding income taxes, and
- providing workers' compensation and disability insurance.

This bulletin summarizes New York State reporting and filing requirements (and certain federal requirements) for household employers. It also provides general information about New York State sales tax requirements when you hire someone to do repair and maintenance services in and around your home.

For additional federal information, see Internal Revenue Service (IRS) [Publication 926](#), *Household Employer's Tax Guide*.

Are you a household employer?

You are a household employer if you hire someone to do household work and that worker is your employee.

The worker is your employee if you can control what work is done **and** how it is done. It does not matter whether the work is full time or part time or whether you hired the worker through an agency or from a list provided by an agency or association. It also does not matter whether you pay the worker on an hourly, daily, or weekly basis, or by the job.

If you cannot control how the work is done, the worker is not your employee. For example:

- A worker who provides his or her own tools and offers similar services to the general public as part of a regular trade or business is not your employee.
- A worker who performs child care services for you exclusively in his or her own home is not your employee.
- If an agency provides the worker and controls what work is done and how it is done, the worker is not your employee.

New employer registration

You must register as an employer with New York State if:

- you pay cash wages totalling \$500 or more in a calendar quarter, or
- you pay less than \$500 cash wages in a calendar quarter and you choose to cover your employee(s) for unemployment insurance, or
- you and your employee agree to withhold New York State income tax from your employee's wages.

To register, you **must** have a federal employer identification number (EIN). To get your federal EIN:

- apply online with the IRS (www.irs.gov);
- call the IRS Business and Specialty Tax Line at 1 800 829-4933; or
- mail or fax federal [Form SS-4](#), *Application for Employer Identification Number*, to the IRS.

After you have your EIN, register with New York State by:

- applying [online](#) with the New York State Department of Labor (DOL);
- calling DOL at 1 888 899-8810 or (518) 457-4179; or
- calling the Tax Department at (518) 485-6654.

Is your employee eligible to work in the United States?

The federal Immigration Reform and Control Act of 1986 requires employers to verify that new employees are eligible to work in the United States (U.S.).

If you employ someone to do work in your home on a regular basis (once a week, for instance), you must maintain records showing that your household employee is eligible to work in the U.S.

Your household employee must complete the United States Citizenship and Immigration Services (USCIS) [Form I-9](#), *Employment Eligibility Verification*, no later than the first day of work.

However, Form I-9 does not need to be completed for a person:

- hired before November 7, 1986, and continuously employed by the same employer;
- providing domestic services in a private household that are sporadic, irregular, or intermittent;
- providing services as an independent contractor; or
- providing services under a contract, subcontract, or exchange entered into after November 6, 1986. (In such cases, the contractor is the employer for Form I-9 purposes; for example, a temporary employment agency.)

For more information, visit the USCIS Web site (<http://www.uscis.gov/I-9Central>) or call USCIS Form I-9 Customer Support at 1 888 464-4218.

Reporting newly hired or rehired employees

Within 20 days of the hiring date, you must report to the Tax Department certain identifying information about each newly hired or rehired household employee working in New York State.

The hiring date is the first day any services are performed for which your employee will be paid wages or other compensation.

You will need the following information:

- employee name (first, middle initial, last);
- employee address (street, city, state, and ZIP code);
- employee social security number;
- employee hire date;
- your name;
- your address (street, city, state, and ZIP code);
- your employer federal EIN (assigned by IRS); and
- information about dependent health insurance benefits, and if available, the date the employee qualifies for the benefits.

You can report new hire information online via the Tax Department New Hire Web site at www.nynewhire.com/#/login.

If you do not have internet access, you can report the required information by having your employee complete [Form IT-2104](#), *Employee's Withholding Allowance Certificate*, or [Form IT-2104-E](#), *Certificate of Exemption from Withholding*. Submit a completed and legible copy of your employee's Form IT-2104 or Form IT-2104-E to the Tax Department by one of the following methods:

- Fax to (518) 320-1080.

- By U.S. mail to:

NYS TAX DEPARTMENT
NEW HIRE NOTIFICATION
PO BOX 15119
ALBANY NY 12212-5119

- By [private delivery service](#) to:

NYS TAX DEPARTMENT
NEW HIRE NOTIFICATION
CARTS CONTROL
90 COHOES AVE
GREEN ISLAND NY 12183-1515

New York State unemployment insurance and wage reporting

If you pay cash wages totaling \$500 or more in a calendar quarter, you **must**:

- pay New York State unemployment insurance taxes,
- report employee wage information, and
- report the availability of dependent health insurance.

Use [Form NYS-45](#), *Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Return*, and [Form NYS-45-ATT](#), *Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Return – Attachment*, if applicable.

You can file your Form NYS-45 online through the [Unemployment Insurance Online Services](#).

If you pay less than \$500 cash wages in a calendar quarter, you may choose to cover your employee(s) for unemployment insurance.

For additional information about New York State unemployment insurance, see Department of Labor [Publication IA 318D](#), *Household Employer's Guide for Unemployment Insurance*, or call the Department of Labor at 1 888 899-8810.

For information about federal unemployment taxes, see federal [Publication 926](#).

New York State withholding tax

Withholding income tax (federal or New York State) from wages paid to household employees is **voluntary** on your part and on your employee's part.

If you and your employee agree, New York State, New York City, and/or Yonkers income tax, may be withheld. Your employee should complete [Form IT-2104](#), *Employee's Withholding Allowance Certificate*.

Use the completed Form IT-2104 to determine the amount of tax to withhold using the following approved withholding tables and methods:

- [Publication NYS-50-T-NYS](#), *New York State Withholding Tax Tables and Methods*;
- [Publication NYS-50-T-NYC](#), *New York City Withholding Tax Tables and Methods*;
- and
- [Publication NYS-50-T-Y](#), *Yonkers Withholding Tax Tables and Methods*.

If you withhold New York State, New York City, or Yonkers income tax from your employee's wages, you must report it quarterly on [Form NYS-45](#).

You are responsible to pay the amount you withhold to the Tax Department, as follows:

- If you withhold less than \$700 during a calendar quarter, pay the tax with your [Form NYS-45](#).
- If you withhold **\$700 or more** during a calendar quarter, you must pay the tax with [Form NYS-1](#), *Return of Tax Withheld*, within 3 or 5 business days after the payroll that caused the accumulated tax withheld to equal or exceed \$700.

You can file Form NYS-1 and Form NYS-45 and pay the tax you withheld online using the Tax Department's [Online Services](#). You must create an account before you can Web file.

Benefits of Web file include:

- direct payment from your bank account,
- instant confirmation, and
- increased accuracy.

Information statement for your employee

If you withheld New York State, New York City, or Yonkers income tax from your employee's wages, you must provide two copies of federal [Form W-2](#), *Wage and Tax Statement*, to your employee that show the amount of federal wages you paid your employee and the amount of tax withheld for the calendar year.

You must provide the copies to your employee by February 15 of the following year.

If your employee stops working for you before the end of a calendar year, and is not expected to return to work within the calendar year, the statement must be provided no later than 30 days after the last wage payment.

Workers' compensation and disability insurance

You must provide workers compensation and disability insurance to household employees who work forty or more hours per week for you.

Total hours worked per week include all of the following:

- time spent at your residence, including sleeping and eating;
- time spent off premises running errands and performing other duties for you; and

- all hours where you require the household employee's presence.

You are not required to provide workers compensation and disability insurance for individuals you hire to do yard work or casual chores in and about your home on a part-time basis. However, coverage is required when you employ a minor to operate power-driven machinery, including a power lawnmower.

While not required to provide workers compensation insurance for a household employee who works less than 40 hours per week, you are encouraged to obtain a voluntary workers' compensation insurance policy to protect both you and your employee.

For more information, visit the New York State Workers' Compensation Board Web site (www.wcb.ny.gov) or call 1 877 632-4996.

Metropolitan commuter transportation mobility tax (MCTMT)

The Tax Department has determined that employers of household help **are not** subject to the MCTMT on wages paid to household employees.

Social security and Medicare

Although you are not required to withhold income tax on wages paid to a household employee, you may be liable for your household employee's federal social security and Medicare taxes.

For more information, see federal [Publication 926](#).

Sales tax on repair and maintenance service performed in and around your home

Generally, if you hire someone to do repair and maintenance services in and around your home, those services **are subject to sales tax**. These taxable services include maintaining, servicing, and repairing:

- tangible personal property (for example, having your furnace serviced or your dishwasher repaired); and
- real property (for example, roof repairs, lawn maintenance, snowplowing, cleaning services, and trash removal services).

However, services **are not subject to sales tax** if any one of the following conditions applies:

- The services are performed by your employee.
- The service qualified as a capital improvement, and you gave the person performing the service a properly completed [Form ST-124, Certificate of Capital Improvement](#). Examples of capital improvements include the installation of a new furnace or the installation of a new blacktop driveway.
- The services are performed by a person who does not offer similar services to the general public as part of a regular trade or business.

People or businesses that perform taxable services on your property should charge and collect sales tax when you pay for those services. However, if the person or business does not charge and collect the tax, it is your responsibility to pay the tax directly to the Tax Department.

You can pay the sales tax due by:

- including the sales tax due on your New York State income tax return, or
- by filing [Form ST-140, Individual Purchaser's Annual Report of Sales and Use Tax](#).

For more information, see:

- [TB-ST-913](#), *Use Tax for Individuals (including Estates and Trusts)*;
- [TB-ST-104](#), *Capital Improvements*; and
- [Publication 862](#), *Sales and Use Tax Classification of Capital Improvements and Repairs to Real Property*.

Contact us

If you have questions on your responsibilities as a New York State employer, contact our Withholding Tax Information Center at (518) 485-6654.

If you have questions on sales tax requirements for services performed in or around your home, contact our Sales Tax Information Center at (518) 485-2889.

Note: A Tax Bulletin is an informational document designed to provide general guidance in simplified language on a topic of interest to taxpayers. It is accurate as of the date issued. However, taxpayers should be aware that subsequent changes in the Tax Law or its interpretation may affect the accuracy of a Tax Bulletin. The information provided in this document does not cover every situation and is not intended to replace the law or change its meaning.

References and other useful information

Tax Law: Sections 171-a, 171-h, 671, 672, 674, 675, 1101(b)(9)

Regulations: Sections 171.7, 541.2(g)

Publications:

[Publication NYS-50](#), *Employer's Guide to Unemployment Insurance, Wage Reporting, and Withholding Tax*
[Publication 862](#), *Sales and Use Tax Classification of Capital Improvements and Repairs to Real Property*.