



HIRING HOUSEHOLD HELP AND HOW TO DO IT LEGALLY

Question: I am going to hire a nursing student to take care of my mother while I am at work. How do I legally hire the student and report her pay to the IRS?

Answer: Most eldercare professionals recommend hiring household help through a home care or home health agency. They feel turning the hiring responsibilities over to an agency is worth the fee. Plus, there is security knowing an agency can send substitute workers if necessary.

Before you hire the student worker, consider the following tasks, because it is likely you will need to perform most of these tasks as an employer:

- Assess your mother's needs so you can identify the worker's duties.
- Confirm the worker's training and experience.
- Determine the worker's ability to perform duties by checking a driving record or drivers's license.
- Investigate the standard salary for a household worker in your area, and negotiate a salary.
- Verify that your household insurance covers

household workers in your home.

- Confirm your legal responsibilities regarding state disability insurance and the withholding of Social Security, Medicare, unemployment, and federal and state taxes.
- Obtain Employment Eligibility Verification Form I-9 to verify that the worker is legally qualified to work in the U.S.

There are CPAs and attorneys who will, for a fee, help you legally hire household workers and calculate and report the applicable taxes. However, if you want to handle it yourself, you can find the answers to your questions in IRS Publication 926, "Household Employer's Tax Guide," at www.irs.gov/publications. The Family Caregiver Alliance, a national center on caregiving, also has very useful information and checklists at its website, www.caregiver.org.

Sources: "Hiring Workers In Your Home—Legal Requirements," Nolo Press; "Seniors & the Law: A Guide for Maturing Californians," California Bar Association; "Hiring In-Home Help," Family Caregiver Alliance/National Center of Caregiving.

JOKE OF THE MONTH

My wife went to a self-help group for compulsive talkers. It's called On & On Anon.

— *A Prairie Home Companion Pretty Good Joke*

Laughter is known to boost the immune system, lower blood pressure, burn calories and release pleasure-inducing chemicals in the brain.

Go Green!

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LIVING BELOW YOUR MEANS: THE COMFORT IN LIVING WITH LESS



Spending seems to be a favorite American pastime. The U.S. Federal Reserve reported that Americans amassed more than \$972 billion in credit card debt in

2007. However, with debt come stress and a host of other problems. Living with less does not mean skipping out on fun or skimping on necessities. It means learning to say “no,” delay gratification and practice self-discipline. The result is the comfort of feeling less stressed and knowing that a financial emergency won’t wipe you out.

Start with a budget. If you live with others, include them (even your kids) in this process. A household budget will succeed only if everyone in the household participates. Use a spreadsheet, computer program or pencil and paper. In one column, list your entire monthly income, no matter how small. In another column, list your routine monthly expenses

(utilities, gas, groceries, insurance premiums, etc.). Create a third column for fun expenses like restaurants and movies. Leave a fourth column to record the cost of each item so you can make the necessary adjustments from month to month.

To meet your projections, consider each purchase before you buy, define your priorities and shop around for deals. This can be a fun challenge that quickly becomes a habit. These websites offer tips: www.mymillionairefriend.com/frugal.htm, www.frugal-living-now.com and www.wisebread.com.

Living below your means implies that you’ll have money left over. Decide with your household partners where that money will go. To savings? To retirement? You might put it in an account that is accessible, but where it could also earn interest until you need it. You can use it to pay for a vacation, pay property taxes or cover an unexpected medical bill. Knowing you have that “rainy day” fund is precisely the peace of mind that comes from living beneath your means.

Sources: “What It Means to Live Below Your Means,” Nolo Press; “How to Create a Frugal Budget,” Erin Huffstedter, About.com; “The Millionaire Next Door,” Thomas J. Stanley and William D. Danko.

NEW ADDITIONS TO THE MPPAF’S NATIONAL RESOURCE DIRECTORY

www.clevelandclinic.org/myconsult, (800) 223-2273

Cleveland Clinic’s MyConsult online is a medical second-opinion program that, for a fee, provides patients with access to world-renowned physicians who review individual health issues, answer questions and provide a comprehensive report.

Paralyzed Veterans of America, www.pva.org, (800) 424-8200

Founded by veterans of World War II, this nonprofit organization has offices throughout the U.S. and helps veterans with disabilities, their families and their caregivers gain access to services that will help them thrive.



QUOTE OF THE MONTH

“ We can get mighty rich, but if we haven’t got any friends, we will find we are poorer than anybody. ”

— Will Rogers

To view our entire National Resource Directory, please visit www.wrpioneers.org.