



PRIVATE DUTY
HOME CARE

CAREGIVER SUPPORT TOOL

RISKY BUSINESS: REASONS TO USE AN AGENCY INSTEAD OF PRIVATELY HIRING A CAREGIVER

In-home aides make it possible for people with functional limitations to remain at home in a comfortable, safe and familiar environment. Aides can provide a wide range of assistance with activities of daily living such as bathing, dressing, grooming, assisting with walking or transferring, toileting, feeding and providing medication reminders. In addition, they can provide assistance with shopping, meal preparation, transportation, laundry, light housekeeping and companionship.

Occasionally families may be tempted to seek out and hire private individuals rather than working through an agency. While this may seem like a good option, there are several liabilities and risks to the family, who now becomes the employer:

- **Tax Concerns**

When you privately employ an aide in your home, the IRS and state taxing authorities classifies you as a household employer. When you pay above a certain amount in one calendar year, you are required to report those wages, file tax forms, and pay payroll taxes.

- **Unemployment Concerns**

If something occurs such as a client is placed in a nursing facility and the aide no longer has work to perform, the aide may be eligible to file for unemployment benefits. At the point that the aide files for unemployment the IRS may become aware that the family or individual was the employer and may take action for back unemployment taxes and penalties.

- **Workers Compensation Concerns**

The individual or family paying for a private aide could be held liable for any work-related injury that occurs on the job. This could include the cost of all medical expenses and any disability payments. Since the home-care industry is noted for work-related injuries, this can be a huge risk.

- **Abuse and Exploitation Concerns**

Unfortunately, there is the potential for both physical abuse and financial exploitation when work is being done on behalf of a frail, functionally limited, and often cognitively impaired individual. This becomes especially easy when the aide and the recipient of care are isolated in a private home setting with little or no supervision since often times family members live at another location.

The Solution: Use a Home Care Agency

The safest and most cost effective option is hiring a reputable home care agency that employs its caregivers.

Agencies are responsible for:

- The recruiting, interviewing and selection process
- Supervision and training of the aides, monitoring client needs, and coordinating care
- Paying aides and filing the appropriate state and federal taxes
- Performing health screens
- Performing background checks
- Checking references
- Workers compensation insurance
- Unemployment compensation