



# Employee/Employer Relationship Disclosure for Tax Exemptions

Based on Age, Student Status, and Family Relationship

Employee Name \_\_\_\_\_ Employee SSN \_\_\_\_\_

Employer Name \_\_\_\_\_

Participant Name \_\_\_\_\_

Employees providing domestic services, such as respite or nursing, may be exempt from paying certain federal and state taxes based on the employee's age, student status, or family relationship to the employer. In some cases, the employer may also be exempt based on the employee's status. If you and your employer qualify for these exemptions, **you must take them**. Acumen Fiscal Agent will determine the tax exemptions that apply to you and to your employer based upon your answers below. Please answer all the following questions based on your age, student status, and relationship to the employer.

Relationship Questionnaire
<p><b>1. Are you a non-resident alien temporarily in the United States on an F-1, J-1, M-1, or Q-1 visa admitted to the US for providing domestic services?</b></p> <p><input type="checkbox"/> <b>YES</b>, that description fits my visa status. <input type="checkbox"/> <b>NO</b>, that description does not fit my visa status.</p>
<p><b>2. Are you the child of the employer (includes adopted children)?</b></p> <p><input type="checkbox"/> <b>YES</b>, my employer is my parent (mother or father). <input type="checkbox"/> <b>NO</b>, my employer is not my parent.</p>
<p><b>3. Are you the spouse of the employer?</b></p> <p><input type="checkbox"/> <b>YES</b>, my employer is my spouse (husband, wife, domestic partner, or other in footnote #3). <input type="checkbox"/> <b>NO</b>, my employer is not my spouse.</p>
<p><b>4. Are you the parent of the employer (includes adopted children)?</b></p> <p><input type="checkbox"/> <b>YES</b>, my employer is my child (son or daughter). <input type="checkbox"/> <b>NO</b>, my employer is not my child.</p>
<p><b>5. If you answered, "<u>YES</u>," to Question 4, check any of the following that apply.</b></p> <p><input type="checkbox"/> <b>YES</b>, I also provide care for my grandchild or step-grandchild in my child's home.</p> <p><input type="checkbox"/> <b>YES</b>, my grandchild or step-grandchild is under 18, or has a physical or mental condition that requires personal care of an adult for at least four weeks in a row during the calendar quarter in which services are performed.</p> <p><input type="checkbox"/> <b>YES</b>, my child (son or daughter) is widowed, divorced, not remarried, or living with a spouse who has a mental or physical condition so the spouse cannot care for my grandchild for at least four weeks in a row during the calendar quarter in which services are performed.</p> <p><input type="checkbox"/> <b>NO</b>, none of the above apply.</p>
<p><b>6. Are you under the age of 18 or do you turn 18 before December 31?</b></p> <p><input type="checkbox"/> <b>YES</b>, I am under 18 or am turning 18 before December 31 <input type="checkbox"/> <b>NO</b>, I am over 18.</p> <p>If you answered, "<u>YES</u>," to Question 6, answer the following question. If you answered, "<u>NO</u>," skip the question below.</p> <p><b>Is this job of performing household services (respite) your principal occupation?</b></p> <p><b>NOTE: Do not answer, "YES," if you are a student.</b></p> <p><input type="checkbox"/> <b>YES</b>, this is my main job. <input type="checkbox"/> <b>NO</b>, this is not my main job.</p>

**IMPORTANT: You must notify Acumen Fiscal Agent if your status changes.**

Employee Signature \_\_\_\_\_

Date \_\_\_\_\_

# Employee/Employer Relationship Disclosure for Tax Exemptions

## Employee Copy – Keep for your records

Employees providing domestic services such as personal assistance may be exempt from paying certain federal and state taxes based on the employee's age, student status or family relationship to the employer. In some cases, the employer may also be exempt from paying certain taxes based on the employee's status.

IMPORTANT: Please see IRS Publication: #926 – Household Employer's Tax Guide, and IRS website article: "Foreign Student Liability for Social Security and Medicare Taxes" for additional information.

### **IMPORTANT:**

- **These exemptions are not optional.** If the employee and employer qualify for these tax exemptions, they must be taken.
- If the employee's earnings are exempt from these taxes, the employee may not qualify for the related benefits, such as retirement benefits and unemployment compensation.
- The questions regarding family relationship refer to the relationship between the employee and the employer of record (common law employer). In some cases, the program participant is the employer of record. In other cases, the employer of record may be someone other than the program participant. Check program rules.
- Program rules may prohibit some types of employees. For example, most Medicaid-funded programs do not permit a spouse to be paid as an employee for providing services to a spouse. Check program rules.
- Acumen Fiscal Agent LLC will determine the tax exemptions that apply to the employee and employer based on the information provided by the employee. Acumen Fiscal Agent LLC cannot provide tax advice.

### **Question #1: Tax Exemptions for Non-Resident Students**

For a non-resident student in the United States on an F-1, J-1, M-1, or Q-1 visa admitted to the US for the purpose of providing domestic services, the employer and employee are exempt from paying FICA (Social Security and Medicare taxes) and the employer is exempt from paying FUTA (Federal Unemployment Tax) on wages paid to this employee. The employer may also be exempt from paying State Unemployment Insurance, depending on the rules in the state. See footnote #1.

### **Question #2: Tax Exemptions for Children under 21 years old Employed by Parent**

For a child (**does not include step-child.**) under 21 employed by his or her parent, the employer and employee are exempt from paying FICA (Social Security and Medicare taxes) and the employer is exempt from paying FUTA (Federal Unemployment Tax) on wages paid to this employee until the child (employee) turns 21 years of age. The employer may also be exempt from paying State Unemployment Insurance, depending on the rules in the state. See footnote #2.

### **Question #3: Tax Exemptions for Spouses Employed Spouses**

For a spouse (husband, wife, or domestic partner in some states) employed by his or her spouse, the employer and employee are exempt from paying FICA (Social Security and Medicare taxes) and the employer is exempt from paying FUTA (Federal Unemployment Tax) on wages paid to this employee. The employer may also be exempt from paying State Unemployment Insurance, depending on the rules in the state. See footnote #3.

### **Question #4 & #5: Tax Exemptions for Parents Employed by Children**

For a parent (**does not include stepparent,**) employed by his or her child and answering "No" to any of the additional questions under Question #5 regarding caring for a grandchild or step grandchild, the employer and employee are exempt from paying FICA (Social Security and Medicare taxes) and the employer is exempt from paying FUTA (Federal Unemployment Tax) on wages paid to this employee. The employer may also be exempt from paying State Unemployment Insurance, depending on the rules in the state.

For a parent (**does not include stepparent.**) employed by his or her child and answering “Yes” to all the additional questions under Question #5 regarding caring for a grandchild or step grandchild, the employer is exempt from paying Federal Unemployment Tax (FUTA) on wages paid to this employee. The employer may also be exempt from paying State Unemployment Insurance, depending on the rules in the state. See footnote #4

For Question #5, the term calendar quarter means January-March, April-June, July-September, October-December

#### **Question #6: Tax Exemptions for Employee under Age 18 at any point during the calendar year**

For employees under the age of 18 or turning 18 in the calendar year: If the employee is a student, domestic services are deemed not to be the employee’s principal occupation and the employer and employee are exempt from paying FICA (Social Security and Medicare taxes).

Employment Relationship Status	Federal Insurance Contributions Act - Social Security and Medicare Taxes (FICA)	Federal Unemployment Tax Act (FUTA)	State Unemployment Insurance (SUTA)
Foreign Student on VISA in US for Purpose of Providing Domestic Service	FICA exempt	FUTA exempt	See footnote #1
Child (does not include stepchild) while employed by Parent	FICA exempt only until 21st birthday	FUTA exempt only until 21st birthday	See footnote #2
Spouse Employed by Spouse	FICA exempt	FUTA exempt	SUTA exempt. See footnote #3
Parent (does not include stepparent) Employed by Child	FICA Exempt only if not also caring for dependent child (including stepchild) of the employer (employee’s grandchild)	FUTA exempt	SUTA exempt except in NY and WA, See footnote #4
Employee Under 18 or Turning Age 18 in the Calendar Year	FICA exempt through year of 18th birthday only if enrolled as a full-time student	Not Applicable	Not Applicable

#### **FOOTNOTES:**

- (1) A foreign student in the United States on an F-1 or J-1 visa is exempt from SUTA in PA and WA. MT and WI exempt F-1, J-1, M-1, and Q-1 visas from SUTA tax.
- (2) A child under age 18 employed by his or her parent is exempt from SUTA in the following states: CA, IL, MA, ME, MN, NJ, NV, OH, OR, PA, SC, TN, WA, WV. A child under age 21 employed by his or her parent is exempt from SUTA in the following states: AL, AZ, GA, HI, ID, IN, KS, LA, MO, NC, NY, OK, TX, UT, VA, WY and the District of Columbia. GA defines a child as “natural, legally adopted, step, and foster except that foster must be living in the same home as the employer.” MO and WY define a child as “natural, legally adopted, foster, and step.” MT exempts anyone classified as a dependent
- (3) AL exempts common law marriages created prior to 1/1/2017.  
CA, NV, and WA exempt a domestic partner employed by his or her domestic partner.  
GA exempts common law marriages created prior to 1/1/1997.  
HI exempts reciprocal beneficiary relationships and civil unions.  
ID exempts common law marriages created prior to 1/1/1996.  
IN exempts common law marriages created before 1/1/1958.  
KS, MT, and TX exempt all common law marriages.  
NJ exempts civil unions.  
OH exempts common law marriages created prior to 10/10/1991.  
SC exempts common law marriages created prior to 07/24/2019.  
All states recognize common law marriages created in a different state.
- (4) A parent employed by his or her child is exempt from SUTA in the District of Columbia and all states except NY and WA. MO defines parents as natural, foster, or step.”