



Payroll Information Worksheet

As an employer or home care worker in self-direction, payroll wages and tax withholdings are subject to special tax and overtime rules, and residency may impact benefits under labor laws. Completing this form accurately will ensure that taxes and benefits are calculated properly. For more information, visit IRS Publication 15, as well as relevant State tax and labor agency websites. To claim exemptions on either Federal or State (if applicable) Income Tax Withholdings, please mark EXEMPT on your W-4 or State Withholding Certificate, if applicable.

REQUIRED INFORMATION	
Employee Name	Palco ID
Employer Name	Participant Name (If different from Employer)

Part A: FICA (Social Security and Medicare) Taxes

The IRS exempts some employers and workers from paying FICA (Social Security and Medicare) taxes.

- Is a parent employing a child under the age of 21?
- Is a minor child employing a parent?
- Are the worker and employer spouses?
- Is the worker under 18 and a full-time student?
- Is the worker a non-resident alien holding a visa for household services?

If any of the above are **YES**, please select EXEMPT.

- Non-Exempt.** None of the selections apply.¹
- Exempt.** I answered Yes to one of the questions above.

Part B: Unemployment Tax Exemption

The IRS and State tax agencies exempt some wages from FUTA (Federal Unemployment) or SUTA (State Unemployment) taxes.

- Is a parent employing a child under the age of 21?
- Is a child employing a parent?²
 - **If yes, check this box if you live in the state of Colorado:** I am a parent, adoptive parent and/or stepparent employed by an adult child in the state of Colorado.
- Are the worker and employer spouses?
- Is the worker a non-resident alien holding a visa for household services?

If any of the above are **YES**, please select EXEMPT.

- Non-Exempt.** None of the selections apply.
- Exempt.**³ I answered Yes to one of the questions above.

¹ If you are not exempt as indicated above, appropriate taxes, including FICA, will be withheld. Should you not meet the annual IRS domestic service wage threshold for the current tax year, your FICA will be refunded to you in January of the following year, and your W-2 will reflect that no FICA was withheld.

² In the state of Colorado, a Parent employed by an adult child is exempt from FUTA and not exempt from SUTA.

³ In most states, an exemption from FUTA will also apply to SUTA; If an employer is exempt, the employee is also exempt, and taxes will not be collected.



Part C: Overtime Exclusion

There are several factors that may qualify a worker as being exempt from overtime payments or ineligible for overtime based on program specific rules. Palco is not your employer and cannot decide whether you are exempt or not. By checking the appropriate box, you are telling Palco how to pay overtime wages.

- Non-Exempt.** Overtime rates will be paid on time worked beyond 40 hours in a work week.
- Exempt.** Exempt from overtime pay for any reason, including program rules or qualifying for the DOL Home Care Rule Exclusion, as the live-in caregiver residing at the participant's residence at least 5 days per week. (See 29 CFR §552.102 and DOL Fact Sheet #79B). By checking this box, any hours that exceed 40 per week will NOT be paid at overtime rates.

Part D: Income Tax Withholding Difficulty of Care (DOC) Exclusion Information.

Per [IRS Notice 2014-7](#), when a **worker lives full time with a Medicaid self-direction program participant, for whom the worker provides care**, the wages may be exempt from federal income tax withholding, which means the W-2 will show \$0.00 wages paid. This is known as the Difficulty of Care exemption. Claiming this exemption may impact your Social Security benefits, so complete this section under penalties of perjury as an individual care provider receiving payments under a state Medicaid Home and Community-Based Services program for care provided by you to the participant(s), named in this document, who live(s) in your home under the care recipients' plan of care.

If you would like to be excluded from Federal Income Tax withholding, due to Difficulty of Care, mark EXCLUDED below.

- Not Excluded**
- Excluded**

If you would like you wages to be excluded from State Income Tax withholding, due to Difficulty of Care, mark EXCLUDED below.

- Not Excluded**
- Excluded**

Part E: State Tax Exemption

If you would like to be exempt from State Income Tax withholding for any reason, please mark EXEMPT below.

- Non-Exempt.**
- Exempt.**



If any of the information in this document changes at any time, complete a new document and submit to Palco immediately. Failure to notify Palco may result in a tax bill to you or other employment-related matters for your employer. Palco is not responsible for incorrectly calculating or withholding pay due to your failure to complete and submit corrected information. By completing this form, you certify that the information above is correct; you understand that you have the burden to notify Palco immediately of any changes; and, you hold Palco harmless for any incorrect information supplied herein.

Employee Printed Name

Employee Signature

Date

Please return this form to Palco via email to enrollment@palcofirst.com or via Fax: 501-821-0045