

## 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)

Are you under 18?

YES.  YOU CANNOT BE A PAID CAREGIVER

Are you the spouse of the member, and there is not another person besides the member acting as an employer?

YES.  YOU CANNOT BE A PAID CAREGIVER

### **Part A: FICA (Social Security and Medicare) Tax Exemption**

The IRS exempts some employers and workers from paying FICA taxes.

Read the statements below and select the appropriate response:

- Non-Exempt.** None of these selections apply.
- Exempt.** I am under 18 and a fulltime student.
- Exempt.** I am a non-resident alien holding a visa for household services.
- Exempt.** I am the spouse of my employer.
- Exempt.** I am the child of my employer and under 21.
- Exempt.** I am the parent of my employer. This includes adoptive and step-parents.

Exception: If you are the parent of the employer and select any of the following you are non-exempt:

- I am the parent of the employer and I also provide care for my grandchild or step-grandchild in my child's home.
- I am the parent of the employer, and 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 provided.
- I am the parent of my employer, and my child 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.

### **Part B: Unemployment Tax Exemption**

#### *Federal Unemployment Tax Exemption:*

The IRS exempts some wages from FUTA (Federal Unemployment).

Read the statements below and select the appropriate response:

- Exempt.** I am the child of my employer and under 21.
- Exempt.** I am the parent of my employer. This includes adoptive and stepparents.
- Exempt.** I am the spouse of my employer.
- Exempt.** I am a non-resident alien holding a visa for household services.
- Non-Exempt.** None of the selections apply.

#### *State Unemployment Tax Exemption:*

The State exempts some wages from SUTA (State Unemployment).

Read the statements below and select the appropriate response:

- Exempt.** I am the spouse of my employer.
- Exempt.** I am the parent of my employer. This includes adoptive and stepparents.
- Non-Exempt.** None of the selections apply.

### **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 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 excluded from federal income tax withholding, which means the W-2 will show \$0.00 wages paid. This is known as the Difficulty of Care exclusion. Claiming this exclusion 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 any of the information in this document changes at any time, complete a new document and submit it 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.

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**Employee Printed Name**

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**Employee Signature**

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**Date**

**Please return this form to Palco via email to [enrollment@palcofirst.com](mailto:enrollment@palcofirst.com) or via Fax: 501-821-0045**