

Responsibilities and Risks Associated with Hiring an Independent Caregiver in Your Home

There are many unexpected or hidden issues that consumers face when hiring caregivers privately for work in their home. You are creating an employer-employee relationship in most care situations. Both the worker and the consumer can suffer significant financial liabilities if they are not aware of the laws governing employment.

Payroll Taxes

Families of those receiving care are confronted by a confusing array of federal and state laws. The simplest and most direct requirement is that anyone who gets a paycheck must pay the government taxes. This includes social security, Medicare, federal and state unemployment, and state and federal payroll taxes. When the consumer is the employer, they are responsible for compliance. If these taxes are not paid, the government may sue the consumer or their estate for back taxes, interest, and penalties. If care is delivered over a long period of time, this tax responsibility can be substantial. Authorities can also seek civil fines and criminal penalties for nonpayment. Workers are also at risk. No payment into social

security leaves them vulnerable in their old age, and no protection is afforded for periods of unemployment. Also, workers may not be receiving the minimum wage and overtime protection to which they may be entitled.



Work Related Injuries

Injuries are potentially the most financially devastating result for consumers and workers involved in an employer-employee relationship. If workers' compensation protection is not provided (as mandated by law for employees in nearly every state), and the worker sustains an on-the-job accident, the liabilities can be substantial. Medical costs and disability payments for workers can create financial hardship for even the wealthiest clients. For consumers who cannot afford to pay, the worker could be left with no help for a devastating injury. Many consumers incorrectly assume

that homeowner's insurance will cover this type of loss. In fact, homeowner's insurance usually specifically excludes employees in the home.

Abuse and Exploitation

Most workers who enter the home care industry are caring, giving people.

Unfortunately, there are also those who know that it is very easy to take advantage of frail, functionally limited, often cognitively impaired clients. Consumers and their families often do not have the resources to complete background investigations on their caregivers. This could subject the consumer to physical, psychological, or financial abuse. Families of the consumer can help, but time constraints and geographical distances make it difficult to monitor the situation.

The risks associated with entering into an employer-employee relationship often do not justify the perceived savings associated with lower costs. There are also many issues related to the instability of the work force and

the possibility of a consumer being left alone when critical care is needed. This is especially concerning if family members live far from their loved one and cannot easily provide emergency or respite care if a regular caregiver doesn't show up.

The safest solution for consumers considering in-home care is to use a reputable in-home care agency they have researched and trust. This can protect both the consumer and the employee from the issues outlined above.

Visit the resources section of our website for more information about identifying and qualifying an agency for you or your loved one.