

As anyone who has ever employed someone in the home knows, domestic service has generated a confusion of tax and labor laws and definitions. The following explanations are general; you should consult an accountant or tax specialist before entering into any employment agreement.



**Full-time domestic employees** work exclusively or principally in your home. A full-time worker may receive hourly wages or a salary and is entitled to the same legal protections as any employee. An hourly employee who doesn't live in your home must be paid at least the minimum wage plus overtime for work done beyond the standard eight hours per day. Full-time, live-in workers must receive at least minimum wage for overtime.

**Part-time employees** may work only a few hours weekly or monthly for you and may have several employers. Since the livelihood of part-time workers depends on the income, you must pay minimum wages and overtime. Whether you're responsible for Social Security, FICA, and other federal and state payments depends on the amount you pay the worker during the year.

**Casual workers** are defined as those who work (1) twenty or fewer aggregated hours a week for all their employers or (2) more than twenty hours, but the work or the times when they work are not regular. A casual worker isn't dependent on his or her earnings to live and isn't subject to minimum wage or salaries, withholding taxes, workmen's compensation, and general liability insurance.

**Independent contractors** are self-employed, though they may hire others to work for them. In some instances, you may be expected to file a 1099 tax form reporting wages paid to an independent contractor.