

# Year-End Checklist for Household Employers

Follow this year-end checklist for household employers to make sure you have everything covered before tax season.

## Human Resources

- Verify home address for all employees.
- Reconcile all vacation, sick and paid time off (PTO) balances for year-end payout or carryover.
- Although you may be exempt from FICA reporting, you may still be required to file unemployment tax returns if you paid a total of \$1,000 or more in a calendar quarter. Some states have an even lower threshold.

## Payroll

- Send a reminder to employees to verify the social security numbers and addresses on their pay stubs.
- Account for any and all bonuses, cash and non-cash (ex: gift cards) gifts as they should be reported as taxable income. The IRS counts these as taxable gifts between the employer and employee.
- Review taxable fringe benefits that must be posted into payroll for W-2 reporting. Capture all information such as relocation and bonuses.
- Check third-party sick pay (short or long term disability) postings to make sure you have captured all information required.

## Taxes

- Provide your employee with Form W-2 by January 31.
- Submit a copy of Form W-2 and Form W-3 to the Social Security Administration by January 31.
- Attach Schedule H to your personal tax return when you file.

## Benefits

- Distribute new health and/or dental insurance cards.
- Verify Flexible Spending Account (FSA) balances to confirm that employees will have their total amounts deducted by the end of the calendar year.

## Monitor Changes to Tax and Wage Laws

- Check Social Security's maximum taxable wage. For 2023, the maximum amount of taxable earnings is \$160,200.
- Check for a minimum wage increase in your state for 2023 and plan accordingly.
- Check the employment coverage threshold for domestic employees (commonly called the nanny tax threshold). If your nanny will make \$2,600 or more in 2023 (or made \$2,400 in 2022), then you will need to withhold and remit FICA taxes (Social Security and Medicare).

**Legal Disclaimer:** this Year-end Checklist for Household Employers is intended for informational purposes only, and does not constitute legal information or advice.

We're here to help with year-end checklist tasks. Feel free to call us at (800) 929-9213 or email [Questions@GTM.com](mailto:Questions@GTM.com) with your questions about your payroll, tax and wage responsibilities.

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