

Who qualifies for tax exemptions?

Employees who provide domestic services such as personal assistance may be exempt from paying certain federal and state taxes based on the employee's age, student status or family relationship to the Employer (see note below).

In some cases, the Employer (Employer of Record) may also be exempt from paying certain taxes based on your status as the employee. (More information for Employers is found in IRS Publication 926, "Household Employer's Tax Guide," and the article, "Foreign Student Liability for Social Security and Medicare Taxes." Both publications are available on the IRS website: <http://www.irs.gov/>.)

What should I know about this form?

- These exemptions are not optional. You **MUST** fill out and submit the Application for Tax Exemptions, and you must take the tax exemptions if you qualify for them.
- If your earnings are exempt from these taxes, you may not qualify for the related benefits, such as retirement benefits and unemployment compensation.

NOTE: The questions on the Tax Exemption

Application Form refer to the relationship between you and the Employer, whose name is shown at the top of the form. In some cases, the Consumer is the Employer. However, the Employer may be someone other than the Consumer.

- Some program rules may prohibit employment. For example, most Medicaid-funded programs do not permit one spouse to be paid as an employee for providing services to the other spouse. Check program rules.
- Based on the information you provide and according to state Medicaid regulations, OLTL, through Public Partnerships LLC (PPL) will determine the tax exemptions that apply to you and to your employer. However, OLTL, through PPL cannot provide tax advice.

Specific Instructions

The following items refer to the prefilled information and the numbered questions on the Application for Tax Exemptions Form.

Verify your (Employee) information at the top of the form. If any of this information is incorrect, please contact PPL Customer Service at 1-877-908-1750 or email padpw-oltl@pcgus.com.

Question 1: Tax exemptions for foreign students on certain visas

For a non-resident (foreign) student in the United States on an F-1, J-1, M-1, or Q-1 visa admitted to the US for providing domestic services, the employer and employee are exempt from paying Social Security and Medicare (FICA) taxes and the employer is exempt from paying federal unemployment tax (FUTA) on wages paid to this employee. The employer also may be exempt from paying state unemployment tax (SUTA), depending on state regulations.

Question 2: Tax exemptions for a child employed by his or her parent

For a child under 21 employed by their parent, the employer and employee are exempt from paying Social Security and Medicare (FICA) taxes and the employer is exempt from paying FUTA tax on wages paid to this employee until the child (employee) turns 21 years of age. The employer also may be exempt from paying SUTA tax depending on state regulations.

pennsylvania DEPARTMENT OF HUMAN SERVICES OFFICE OF LONG TERM LIVING		Participant Name	Employer Name	Employee Name
Tax Exemption Form				
Employees providing domestic services, such as respite or nursing, may be exempt from paying certain federal and state taxes based on the employee's age, student status, or family relationship to the employer. In some cases, the employer may also be exempt based on the employee's status. If you and your employer qualify for these exemptions, you must take them. Public Partnerships LLC (PPL) will determine the tax exemptions that apply to you and to your employer (see enclosed guidelines). Employee: Please answer all the following questions based on your age, student status, and relationship to the employer.				
Relationship Questionnaire				
1. Are you a non-resident alien temporarily in the United States on an F-1, J-1, M-1, or Q-1 visa admitted to the US for providing domestic services?				
<input type="checkbox"/> YES, that description fits my status.		<input type="checkbox"/> NO, that description does not fit my status.		
2. Are you the child of the employer (includes adopted children)?				
<input type="checkbox"/> YES, my employer is my parent (mother or father).		<input type="checkbox"/> NO, my employer is not my parent.		
3. Are you the spouse of the employer?				
<input type="checkbox"/> YES, my employer is my spouse (husband, wife or domestic partner).		<input type="checkbox"/> NO, my employer is my spouse.		
4. Are you the parent of the employer (includes adopted children)?				
<input type="checkbox"/> YES, my employer is my child (son or daughter).		<input type="checkbox"/> NO, my employer is my child.		
5. If you answered, "YES," to Question 4, check any of the following that apply.				
<input type="checkbox"/> YES, I also provide care for my grandchild or step-grandchild in my child's home.				
<input type="checkbox"/> YES, 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 performed.				
<input type="checkbox"/> YES, my child (son or daughter) 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.				
<input type="checkbox"/> NO, none of the above apply.				
6. Are you under the age of 18 or do you turn 18 before December 31?				
<input type="checkbox"/> YES, I am under 18 or am turning 18 before December 31		<input type="checkbox"/> NO, I am over 18.		
If you answered, "YES," to Question 6, answer the following question. If you answered, "NO," skip the question below.				
Is this job of performing household services (respite) your principal occupation?				
NOTE: Do not answer, "YES," if you are a student.				
<input type="checkbox"/> YES, this is my main job.		<input type="checkbox"/> NO, this is not my main job.		

Question 3: Tax exemptions for one spouse employed by the other spouse

For a spouse (husband, wife, or domestic partner in some states) employed by their spouse, the employer and employee are exempt from paying FICA taxes, and the employer is exempt from paying FUTA tax on wages paid to this employee. The employer also may be exempt from paying state unemployment insurance tax depending on state regulations.

Questions 4 and 5: Tax exemptions for a parent employed by his or her child

If a parent is employed by their child and answers “No” to any of the additional questions under Question #5, regarding caring for a grandchild or step grandchild, the employer and employee are exempt from paying Social Security and Medicare taxes and the employer is exempt from paying federal unemployment tax on wages paid to this employee. The employer also may be exempt from paying state unemployment insurance tax, depending on the state regulations.

If a parent is employed by their child and answers “Yes” to all the additional questions under Question #5, regarding caring for a grandchild or step grandchild, the employer is exempt from paying federal unemployment tax on wages paid to this employee. The employer also may be exempt from paying state unemployment tax, depending on state regulations

Question 6: Tax exemptions for an employee under age 18

If the employee is under the age of 18 or turning age 18 this calendar year and is a student, then “domestic services” is not the employee’s principle occupation, and the employer and employee are exempt from paying Social Security and Medicare taxes. Some program rules do not allow for workers to be under the age of 18.

The following table summarizes the conditions for tax exemption shown in the Questions on Page 2.

Employment Relationship Status	Social Security and Medicare Taxes (FICA)	Federal Unemployment Insurance Tax (FUTA)	State Unemployment Insurance Tax (SUTA)
Q1. Foreign student on visa in US to provide domestic services	FICA exempt	FUTA exempt	See footnote (1)
Q2. Child employed by parent	FICA exempt only until child’s 21 st birthday	FUTA exempt only until child’s 21 st birthday	See footnote (2)
Q3. Spouse employed by spouse	FICA exempt	FUTA exempt	SUTA exempt (see footnote (3))
Q4&5. Parent employed by child	FICA exempt only if caring for the employer’s dependent child (employee’s grandchild)	FUTA exempt	SUTA exempt except in NY and WA. See footnote (4)
Q6. Employee under age 18 or turning age 18 this calendar year	FICA exempt through year of employee’s 18 th birthday, only if enrolled as a full-time student	Not Applicable	Not Applicable

- (1) A foreign student in the United States on an F-1 or J-1 visa is exempt from SUTA in the following states: PA, WA.
- (2) A child under age 18 employed by his or her parent is exempt from SUTA in the following states: CA, IL, MA, ME, NJ, NV, OH, OR, PA, SC, TN, WA, WV.
A child under age 21 employed by his or her parent is exempt from SUTA in the following states: AZ, GA, IN, KS, NY, OK, VA, WY and the District of Columbia.
- (3) For California (CA) only, a registered domestic partner employed by his or her registered domestic partner is exempt from SUTA.
- (4) A parent employed by his or her child is exempt from SUTA in the District of Columbia and all states except NY and WA.