

Application for Difficulty of Care Federal Income Tax Exclusion

Participant Name:	Participant ID:
Direct Care Worker Name:	Direct Care Worker ID:

Section A: Applying for Difficulty of Care Federal Income Exclusion

Certain payments received by an employee for providing Medicaid services in their home are considered Difficulty of Care payments excludable from federal income tax. To determine if you are eligible for the income exclusion, complete the following steps. If you are eligible, the Office of Long-Term Living (OLTL), through its contractor Public Partnerships will not report the payments as income and will not withhold federal income taxes.

STEP 1: Review information regarding the Difficulty of Care Federal Income Tax Exclusion. Information is available on Public Partnerships' website at: <http://www.publicpartnerships.com>.

STEP 2: Check all that apply:

- I provide services to the participant in my home.
- I do not have a separate home where I reside.
- This is the home where I reside and regularly perform the routines of private life, including shared meals and holidays with family.

▪ Only if all the above apply are you are eligible for the Difficulty of Care Federal Income Tax Exclusion.

Under penalties of perjury, I declare that I am a DCW receiving payments under a state Medicaid Home and Community-Based Services program. I live in the home with, and I provide services to, the participant listed at the top of this form.

Direct Care Worker Signature: _____ **Date:** _____

Section B: Terminating Difficulty of Care Federal Income Tax Exclusion

Under penalties of perjury, I declare that I no longer reside with a participant that I provide services to and who is receiving payments under a state Medicaid Home and Community-Based Services program.

Direct Care Worker Signature: _____ **Date that I no longer qualify:** _____