



If you and another family have agreed to participate in a nanny share, make sure you follow these important steps. This will ensure that you are fulfilling your legal obligations, as well as creating a successful business partnership that will benefit both you and the nanny.

### **Nanny Sharing Checklist for Families**

- Create a work agreement; specify the nanny's schedule between each family, the nanny's wages, benefits, and job responsibilities for each family. If there is a timeframe for when the nanny share will end, make sure that is also included in the agreement.
- Communicate throughout the process. This is key for any business relationship, and even more so with regard to nanny sharing because it involves a third party – the nanny. Make sure any issues are discussed and worked out between the families before approaching the nanny. That way the families will be on the same page and the nanny won't feel overwhelmed.
- Each family must register with the IRS and the state revenue department – this will allow each family to be issued a tax I.D. number.
- Check your state's requirements regarding worker's compensation insurance. Some states require that household employers provide this for their employees. If your state does require it, each family must obtain coverage for the nanny.
- Have the nanny fill out an I-9 form and a W-4 form for each family.
- Each family must withhold federal and state taxes from each paycheck.
- Each family must complete a Schedule H form when filing their own personal 1040 form. Schedule H will account for the federal taxes withheld from the nanny's paycheck.
- Each family must issue a W-2 at the end of the year.

The legal requirements for participating in a nanny share can be complicated and time consuming. Using a company like GTM Payroll Services to handle payroll, taxes, and insurance for your employee will take the guesswork out of making sure you meet all your legal obligations, and will save you hours of time. Contact us any time at 1-800-929-9213 or email us at [info@gtm.com](mailto:info@gtm.com).