

# Tax Responsibilities for California Household Employers

## Taxes required to withhold, file, and pay:

- Social Security
- Medicare

## Other taxes GTM Payroll Services strongly recommends withholding (but are not required):

- Federal Income Tax
- State Income Tax
- Local Taxes, such as the San Francisco local tax

In California, household employers are responsible for the following four taxes, to be added on top of the employee's gross wage:

- Social Security Tax Rate of 6.2%
- Medicare Tax Rate of 1.45%
- Federal Unemployment Tax Rate of 0.6%
- State Unemployment Tax Rate of 3.4%

## Calculation Example: Employee earns a gross salary of \$1000 per week

EMPLOYEE GROSS TO NET CALCULATION	PER PAY PERIOD
<b>Weekly - 52 pay periods per year</b>	<b>Gross Pay \$1000</b>
Federal Income Tax	\$124.28
Social Security	\$62.00
Medicare	\$14.50
State Income Tax	\$15.80
Local Income Tax	\$10.00
<b>Employee Take-Home Pay</b>	<b>\$783.42</b>
Employer Taxes	Per Pay Period
Federal Unemployment*	\$6.00
Social Security	\$62.00
Medicare	\$14.50
State Unemployment**	\$34.00
<b>Employer Responsibility</b>	<b>\$116.50</b>
<b>Total Employer Responsibility</b>	<b>\$1116.50</b>

\* On first \$7,000 of gross wages/calendar year

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You can do your own online calculations using GTM's Nanny Tax and Overtime Calculators at [GTM.com/household](https://www.gtm.com/household)

## Expert Advice

Through our partnership with GTM Payroll Services we have arranged for you to receive a FREE payroll and tax consultation! Patrick DiFiore will walk you through your responsibilities step-by-step. Call Patrick at (800) 929-9213 ext. 7248 and mention our agency.

## 2022 Minimum Wage

In California, the current minimum wage is \$14 for employers with less than 25 employees.

## Workers' Compensation

In California, household employers are required to have a workers' compensation policy for their employee(s).

## Tax Breaks and Benefits

### **Dependent Care Account:**

Check if your employer allows you to contribute up to \$5,000 Pre-Tax dollars into a Dependent Care Account, which can be used to pay your childcare or eldercare costs.

### **Child & Dependent Care Tax Credit:**

You can claim a tax credit for childcare on your federal income tax return. This typically amounts to 35% of qualifying childcare expenses. Claims up to \$3,000 for one dependent or \$6,000 for two or more dependents are eligible.