



The Ins and Outs of Hiring Nannies and Au Pairs

If you and your spouse are both working parents of young children, you probably have a nanny working for you, or have considered hiring a nanny or au pair. What many people do not realize, however, are the several important factors involved in having a nanny or au pair. First of all, hiring a stranger to care for your children comes with several risks. Outlining these risks is meant not to defer you from hiring a nanny, but to go about it the correct way. The most obvious risk comes with hiring a stranger to come into your home and care for your children.

How can I make sure that the nanny or au pair I hire will be safe for my children as well as a positive influence on them?

Whether you find your nanny through a nanny agency, or through conducting your own search in your community, confirming that the nanny you choose has a safe background is of high importance. If the agency has not already performed background checks on their nannies, you may wish to have your nanny's permission to conduct a background check. Conducting background checks is even more important on nannies that are not associated with a nanny agency. Furthermore, make sure that the nanny you are interested in has references. Then, check these references. When you contact your references, assure them that your conversation is confidential and encourage them to be completely honest. You can learn a lot about a nanny through the impressions she made on other people. Doing this will also allow you to learn more about your potential nanny and aid in determining whether or not she will be a good fit for your children in regards to her personality and beliefs.

Another area you may want to check is your potential nanny's driving record. If your nanny will need to transport your kids places, checking her driving record is vital to your children's safety. Your children are dearest to you; therefore, their safety is of utmost importance to you. Since car accidents can be deadly, you want a nanny who is a careful driver with few or no driving violations.

After performing a background check and checking your references, conduct an in-person interview with your potential nanny. In person interviews are more effective than on the phone interviews because they allow you to observe your prospective nanny's body language and view her demeanor. During the interview, feel free to ask your potential nanny about her personal beliefs. Since she will be spending a great deal of time with your children, you want to make sure that she will not influence your children in a manner that you would disapprove of. Hiring a nanny with similar personal beliefs and convictions will minimize this issue. For example, if there are television shows that you do not want your children to watch, your nanny should understand why those shows are inappropriate for your children. That way, if similar shows come on, your nanny can make the appropriate judgment call regarding that television show.

If the in-person interview goes well and you are moving towards hiring her as your nanny, you may desire to have her come to your home while you are there and

observe her interaction with your children. This will allow you to see how your children respond to her and how she relates to them before hiring her.

Now that I have found my nanny, is there anything more I have to do?

Yes, there are a few more things that must be done before your nanny begins working for you. First, you should purchase a Workers' Compensation Insurance policy from a local independent insurance agent. This will protect you if your nanny sues you in the event of her injury while on the job. She could also collect her medical bills from under the workers' compensation policy. The Workers' Compensation Act exists, **"To provide wage replacement benefits and medical treatment for employees who have been injured or become ill due to a work-related injury or illness,"** (State of Connecticut Workers' Compensation Commission). Therefore, purchasing workers' compensation coverage is very important to your nanny's well-being and to protect your assets.

In addition to purchasing workers' compensation coverage, you should also make sure that you have enough personal liability coverage above and beyond your Homeowners and Auto insurance policies in the event of being sued by other parents because of your nanny. If other children are around your nanny, their parents could sue you if something happens to their children in the presence of your nanny. Also, the nanny may also wish to purchase liability coverage in case she is prosecuted for any allegations regarding the children she is caring for.

Finally, as an employer, you must pay payroll taxes. When nannies are employed, oftentimes their employers simply pay them under the table. It requires less paperwork and may seem easier than dealing with payroll taxes. However, paying your nanny under the table is not only illegal, but it cheats her of certain benefits that come with paying payroll taxes. Arthur Ellis, co-founder of The Nanny Tax Company says, **"By paying taxes, nannies qualify for Social Security. They may also qualify for disability income should they be injured. Nannies will also be able to receive unemployment benefits if they lose their jobs,"** (End to NannyGate). Paying nanny taxes also allows nannies to verify their income. You cannot even establish a cell phone account without verifiable income. Aside from the benefits a nanny receives when she pays taxes, the penalties for withholding taxes are great. Not only do these penalties apply to you as the employer, but they apply to the nanny as well. Kathleen Webb of HomeWork Solutions explains that in just four to five years, penalties from not paying taxes can heap interest double the tax due. She continues to explain, **"Failure to report your income to the IRS annually is a felony offense,"** (End to NannyGate). Therefore, paying taxes on your nanny's salary is something you should definitely adhere to.

Now what?

Once these few things are set in place, you can relax knowing that you have gone about hiring a nanny the correct way. You can be sure that the safety of your children is secured as well as your assets in the event of an accident or injury. Although acquiring these coverages and abiding by nanny tax laws may cost you some extra money, following legal requirements and having the peace of mind regarding your children's safety and financial safety make the expenses worth while.

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