



## ANSWERS TO HOUSEHOLD EMPLOYMENT TAX QUESTIONS

1. For reporting purposes of withholding and unemployment, it will be necessary to complete Form SS-4 to obtain a federal identification number or apply for an employer identification number online at [www.irs.gov](http://www.irs.gov). The Federal taxes withheld which may include Federal Income Tax, Social Security and Medicare, along with the employer match for Social Security and Medicare and Federal Unemployment will be reported and remitted with your Form 1040 each year.
2. For 2023, Social Security and Medicare withholdings are 7.65% of the gross wages. You must pay Social Security and Medicare taxes if you pay cash wages of \$2,600 or more to any one household employee during the year.
3. There are tax tables to assist with the calculation of the State and Federal withholdings. You may use the paycheck calculator at [www.paycheckcity.com](http://www.paycheckcity.com) or we can calculate this amount for you if you would prefer.
4. Since there is no cost to you to withhold the State and Federal taxes, it is usually better for the employee to withhold all taxes.
5. You will need to apply for a Nebraska identification number if you decide to withhold the State tax. File Nebraska Form 20 or applicable state form to obtain an employer identification number for filing purposes.
6. You will need to apply for a Nebraska Workforce Development identification number to comply with the State unemployment regulations by completing UI Form 1 or by registering online at <http://networks.nebraska.gov/> or register with the applicable state. The beginning rate for Nebraska State unemployment tax is 1.25% of the first \$9,000 earned by each employee in the year 2023 for employers not in construction and 5.40% of the first \$24,000 earned by each employee for construction employers. This form is filed quarterly. You must pay unemployment tax if the wages paid to all domestic employees is \$1,000 or more in any calendar quarter.
7. The Federal unemployment rate for 2024 remains at 0.6% of the first \$7,000 earned by each employee in any given year (0.6% = 6.0% Federal unemployment rate less 5.4% credit for State unemployment tax paid timely). Again, this is paid with your Form 1040 and must be paid once wages paid to all domestic employees is \$1,000 or more in any calendar quarter.