



ANSWERS TO NANNY QUESTIONS

1. It will be necessary to complete a Form SS4 to obtain a Federal Identification number for reporting purposes of withholding and unemployment. The Federal taxes withheld and the employer match for Social Security and Medicare and Federal Unemployment will be remitted along with your Form 1040 each year.
2. Social Security and Medicare withholdings are 7.65% of the gross wages.
3. There are tax tables to assist with the calculation of the State and Federal withholdings. 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 Form 20 to obtain an employer identification number for filing purposes. This tax is usually filed on an annual basis for domestics.
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. The beginning rate for the State unemployment tax is 2.50% of the first \$9,000 earned by each employee in the year 2010 for employers not in construction and 8.66% 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 quarter.
7. The rate for the Federal unemployment is 0.8% of the first \$7,000 earned by each employee in any given year. (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 quarter.)