

What it means to be a Domestic Employer

**Employer Information Packet
for
Customers Interested in
Hiring Domestic Employees**

Information provided by Resource Connections of Oregon



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Dear Prospective Domestic Employer:

The following information is provided by Resource Connections of Oregon (RCO) to aid you in making an informed decision about hiring a domestic employee.

In this packet you will find information on what it means to be an employer, what RCO can do for you as a fiscal intermediary, and the minimum qualifications required of your employees. It also includes many employee related forms needed to communicate your employee's status with RCO.

There are important requirements and responsibilities involved in being an employer, so read the information carefully. RCO can not provide professional accounting or professional legal advice.

If you have any questions regarding the materials in this packet, you may contact RCO at:

Fiscal Intermediary Accountant,			
Carol Gil	503-485-2510	ext. 124	
Business Manager,			
Nadine Younger	503-485-2510	ext. 121	

If you are outside the local Salem calling area, our toll free number is 1-866-890-2048.

Instructions for the information in this packet

All information in this packet must be reviewed. Some must be completed, signed and returned to RCO. Below are instructions about how to handle each document:

1. **Things to Consider Before Becoming a Domestic Employer.** This is a list of things you should think about before becoming an employer. ***Action: Read and review carefully.***
2. **Services Provided by RCO as Fiscal Intermediary.** This section describes the services provided by RCO as a fiscal agent. ***Action: Read and review carefully.***
3. **Your Responsibilities.** This section includes information on being a legally recognized employer and requirements for interacting with your fiscal intermediary. ***Action: Read and review carefully.***
4. **Hiring a Domestic Employee.** This section identifies the steps in hiring an employee. ***Action: Read and review carefully.***
5. **Paying Your Employee.** This section answers questions about hiring a qualified provider as your employee, the use of time sheets, how employees are paid and terminating employment. ***Action: Read and review carefully.***
6. **How to get paid ON TIME!** This section provides information needed for reviewing employees' time sheets. A blank time sheet is included in the Employer Documents Packet. ***Action: Read and review carefully.***
7. **Employer Information Packet Acknowledgement.** This form is your acknowledgement that you have received and understand the information presented in this packet. ***Action: Sign and return to RCO office.***

Things to Consider Before Becoming a Domestic Employer

Becoming a domestic employer deserves careful thought. Here is a list of things you should know before you make a decision about becoming an employer.

- 1. Decide who will be the employer:** This should be the RCO customer. In some cases, it may be another responsible adult. The employer must understand his/her responsibilities. The employer must complete and sign all required documents where indicated. There may be an authorized designee who signs on behalf of the customer.
- 2. Keep a safe working environment:** Care providers (domestic employees) have Worker's Compensation Insurance through the Oregon Home Care Commission (OHCC) as set forth in ORS 656.039 9(5)(a). In addition, if your employee is injured on the job, you may be held responsible for damages. It would be wise to ask your homeowner's insurance or renter's insurance agent if your policy covers domestic employees.
- 3. Keep track of days/hours worked:** Your signature on the timesheet means that you agree that the hours being submitted are accurate. It is Medicaid fraud to knowingly bill for services not provided.
- 4. Communication is key!** Talk to your employees about any concerns you may have. Make sure they can talk to you. Let RCO know when an employee has quit or been fired (use Employee Termination form). There are laws about when final checks are due. As the employer, you must contact RCO when you plan to terminate an employee.
- 5. Setting a wage:** Employers are not required to pay domestic employees minimum wage or overtime. BUT REMEMBER: To keep qualified employees, you need to treat them fairly and pay them adequately. There are also maximum wages that cannot be exceeded.
- 6. Being an employer can be complicated:** If you have any questions about this, please ask for assistance. RCO Staff are not labor lawyers or compliance officers, but they can help you research difficult questions.

Services Provided by RCO as Fiscal Intermediary

As the employer appointed fiscal agent, Resource Connections of Oregon (RCO) agrees to perform or assist the domestic employer in performing the following employment and payroll-related tasks for services provided through a support plan:

1. Recognize the customer (or designee under special circumstances) as an employer. Assist in preparing the documents and forms necessary to hire, supervise and terminate employees.
2. Prepare and maintain documents needed to comply with existing federal, state and local tax laws regarding employer payroll activities. This includes all required taxes, payments and reports.
3. Review and maintain files of all employer and employee documents. RCO will store required employer and employee documents as regulated. Upon request, RCO will provide employer with copies of documents within their file.
4. Receive approved timesheets. Process payroll on behalf of the employer, including all required withholdings, using an outside payroll service.
5. Verify calculations and issue payroll.
6. Make payments on behalf of the employer. This includes all employer and employee taxes. Employer's portion includes FICA and unemployment tax withholdings. Employee's portion includes FICA, state and federal income tax and any other required withholdings.
7. Receive and pay approved invoices as authorized in the plan.
8. If requested, RCO will provide regular summaries of payments made on employer's behalf.
9. Provide the employer with information as needed concerning their fiscal and payroll responsibilities and obligations as employers of their domestic employees.
10. Report to the OHCC all necessary information for filing of Workers' Compensation claims or payments for your employee(s).
11. Regularly report to the OHCC all employers and employees for whom RCO processes payroll.

Your Responsibilities

As a Fiscal Intermediary service (FI), RCO is here to support you as a domestic employer. RCO's role is to answer basic questions about being an employer, process payroll and act as a place to store (repository) your employment related documents. RCO will not give out labor, tax or legal advice. If legal advice or other expert assistance is needed, the services of an appropriate professional should be sought.

To use RCO to pay your employees you must:

1. Enroll with RCO and have a Support Services Plan or a county authorized payment schedule on file with RCO.
2. Become a legally recognized employer prior to hiring any employees. This is done by obtaining a Federal Tax Identification Number (EIN) using IRS form SS-4 and a State of Oregon Tax Identification Number (BIN) using form 150-211-055. These identification numbers are used for filing employment taxes and in communicating with government agencies about your employees. If you have been an employer before, you should already have these numbers. If you are just becoming an employer, RCO will provide you with forms to apply for tax identification numbers. If you already have these numbers, RCO must have proof of them on official IRS and State of Oregon forms.
3. Complete IRS forms 2678 (Employer Appointment of Agent) and 8821 (Tax Information Authorization). These forms allow RCO to prepare payroll, pay payroll taxes and communicate with the IRS on your behalf. Also complete form 150-800-005 (Tax Information Authorization and Power of Attorney for Representation) to allow RCO to communicate with the Oregon Department of Revenue on your behalf.
4. Complete the Workers' Compensation Consent and Agreement Form. This allows the OHCC and SAIF Corporation to communicate on your behalf if your employee(s) is injured on the job.

After completing the above steps, you may hire employees. As an employer you are required to follow government rules about hiring domestic employees. If you have questions about these rules, you can get information from the Bureau of Labor and Industries (BOLI).

In working with RCO it is important to ensure that all paperwork is complete, accurate and submitted in a timely manner. This includes timesheets, as well as notification of change of address, phone number, wage, and employment status.

Hiring a Domestic Employee

1. **You must hire “Qualified Providers”.** A Qualified Provider:
 - Is at least 18 years of age;
 - Completes and passes the Criminal History Records Check;
 - Prior to working, RCO must receive confirmation that the employee is authorized to work. This process may take from 2 to 8 weeks.
 - If the employee is arrested and/or convicted of a crime, RCO must be notified and a new criminal history check will need to be completed.
 - Is legally eligible to work in the United States (See IRS form I-9);
 - Is not a spouse of the customer;
 - Possess the skills and training necessary to perform the job;
 - Is a mandatory abuse reporter;
 - Presents copies of any licenses or certificates that are required for this job (Documents required by the State of Oregon or County Developmental Disabilities Office);
 - Understands requirements of confidentiality and agree to safeguard the customer’s information;
 - Is not on the Centers for Medicare and Medicaid Services list of excluded or debarred providers; and
 - If driving is part of the job, employees must submit copies of valid Driver’s License and **current** Certificate of Insurance for the automobile(s) used.
 - Every time your employee renews a driver’s license and/or vehicle insurance, a copy must be sent to RCO.

Oregon Administrative Rules state that Seniors and People with Disabilities Division (SPD) dollars **cannot pay for any work** done by your employee until he/she has met these qualifications. RCO cannot pay for any service performed by an employee before the date these qualifications are met. You, as the domestic employer, will be responsible for payment of all wages and taxes due if work is performed by an unqualified provider.

2. **Identify the needs:** Consider what your employee needs to do; including the number of hours of work, the wage you are willing to pay

and the level of skill and/or training that is needed. Write up a job description. Ask for assistance if needed.

- 3. Selecting a provider:** RCO may be able to provide you with a list of potential providers who have met the minimum requirements, or you may recruit your own applicants. Once you have identified potential providers, the next step is to set up interviews. Employers must follow state and federal guidelines regarding hiring practices.
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The following is a list of interview questions for your reference. Ask for assistance if needed.

Sample Interview Questions

Select the questions that are most important to you. Also think about how much time you will have for questions and answers.

- Tell me about yourself. What are your hobbies and special interests? What do you do in your spare time?
- How would you describe yourself? Describe your personality. Describe your strengths and areas you are working on.
- Do you have any special training or experience that you like me to be aware of? Have you made use of available training?
- Discuss your experience working with individuals with special needs.
- Have you had any experience caring for a person with (the particular disability of yours or your child)?
- Why are you interested in providing support services?
- Why did you leave your last position?
- What do you like best about this work?
- What do you like least about this work?
- Why are you the right person for this job?
- What kind of employer do you work best with? What are your expectations form this job?
- What would you do if we disagreed about something?

- What kinds of situations make you tense or nervous?
- Describe a difficult problem you've had to handle. How did you handle it?
- This position will require that you make independent decisions. Can you give an example of a situation in which you made a job-related independent decision?
- If the person you are to support is unable to communicate, how would you know if he/she likes a particular food or activity?
- Do you have CPR, First Aid, and Medication Assistance Training?
- Are you easily able to awaken at night and respond to the needs of my child?
- What hours are you able to work? During the day, weekends, holidays? Are there specific times when you are unable to work? How much prior notice do you require before scheduling?
- Do you have a valid driver's license? Do you have your own transportation and car insurance? Do you have a good driving record?
- Are you comfortable working with pets in the home?

You may not ask any questions about race, color, religion, national origin, disability, age, and gender.

Some of these questions were adapted from Kniest, B.A. & Garland C.W. (1991), PARTners: A manual for family-centered respite care, Virginia Institute for Developmental disabilities, Richmond, VA., and from The Arc of Multnomah.

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- 4. Completing required paperwork.** Once you have selected an employee, have them complete the forms in the Employee/Provider Documents packet. The packet comes with instructions on how to fill out all forms. Remember each employee must complete a packet before beginning work.
 - 5. Submit paperwork to RCO.** RCO can only pay your employees after all documents are complete and returned to our office.

Paying Your Employees

1. Required Employee Forms:

- Employment Data Record
- Tax forms W-4
- US Citizenship and Immigration Services Employment Eligibility Verification (I-9)
- Criminal History Check Approval
- Signed and dated job description

The above documents must be completed by the employer and the new employee before the employee starts work. These forms must be received by RCO before payroll can be processed and checks issued.

2. Completing the Time Sheet. It is important that time sheets be filled out correctly. Each employee must complete a separate time sheet. See the following section on “How to get paid on time” and the sample time sheet.

- Employer is responsible to verify that all hours and service codes are accurate. Funds for supports come from state and federal taxes. Mistakes can be seen as fraud if they are not corrected.
- The employer and employee must sign and date the time sheet form. Time sheets should not be signed or dated prior to the last day worked by the employee.
- The employer should either keep the original time sheet and send a copy to the RCO office at the end of every month, or send the original to RCO and keep a copy for their records.
- Only schedule employees for hours authorized in the customer’s plan. If additional hours are worked beyond the customer’s plan, it is the responsibility of the employer to pay. A separate agreement must be made with RCO before this payroll can be processed. These hours should be billed on a separate time sheet and sent to RCO to have payroll taxes processed. The employer must submit funds for these hours before RCO can issue payment. Hours paid outside of plan dollars are not subject to workers’ compensation.

3. Submitting Time Sheets to RCO:

- The RCO office must receive time sheets by the dates specified on the “RCO Fiscal Intermediary Payroll Schedule”.
- Time sheets received without sufficient time to process by the payroll department, will result in delayed payment to your employees.
- All payments are made according to the service plan unless prior authorization has been received.

4. Payment of Employees: Your employee will receive wages every month following the processing of the time sheet. Payment will be made to the employee and will be direct deposited or mailed to the employee’s designated address. The employee’s payroll check will go to the address on file, unless RCO is notified otherwise in writing. Any address changes must be submitted to RCO on the Change of Information Form along with the time sheet.

If a provider does not receive a payroll check or finds an error, please notify your PA or service coordinator. Any discrepancy will be researched and fixed as quickly as possible. If a check is late or lost, RCO does not reissue checks until one week after the original check was mailed. And a fee will need to be paid before a check can be reissued.

5. Terminating Employment: There are important steps to follow for termination or resignation of a domestic employee. If an employee resigns, the employer must call RCO within two business days of the resignation. If an employer plans to fire an employee, the employer should notify RCO in advance of termination when possible. It is the employer’s responsibility to complete the “Termination of Employment” form (included in Employer Documents Packet) and return it to RCO as soon as possible.

How to get paid ON TIME!

For your time sheet to be approved and paid on time, it must be filled out completely and correctly. The following are instructions for filling out your new time sheet.

- 1. County:** Enter the county in which the customer is enrolled in services.
- 2. Month:** Fill in the month the service was provided.
- 3. Employee Name:** Use your legal name.
- 4. Employer:** Fill in the name of your employer.
- 5. Customer:** Fill in the name of the customer to whom you provide support.
- 6. Date:** Fill in the exact date(s) you worked.
Time In: Enter the time you started working with the customer.
Time Out: Enter the time you stopped working with the customer.
Hours: Fill in the total number of hours you worked. (Payment is made in 15 minute increments. Ex: 15 min = .25, 30 min = .5, 45 min = .75 Round to the nearest 15 minute increment.)
Rate: If your job description lists more than one rate of pay, note which rate you are billing for. (Ex: "Rate 1" is for 1 customer and "Rate 2" is for 2 customers.)
Code: Complete this column if your job description is to provide support in more than one service code.
- 7. Employee Signature/Date:** Sign and date this box after completing the last shift of the month.
- 8. Employer Signature/Date:** Have your employer review, sign and date your completed time sheet before sending it to RCO.



Help Stop Fraud: Check carefully for accuracy of dates, services and amount billed to RCO Fiscal Intermediary Services.



RCO Fiscal Intermediary Payroll Schedule 2011

Timesheets are due:

Monday **January 3rd** by 5pm
Thursday **February 3rd** by 5pm
Thursday **March 3rd** by 5pm
Monday **April 4th** by Noon
Tuesday **May 3th** by 5pm
Friday **June 3rd** by 5pm
Tuesday **July 5th** by Noon
Wednesday **August 3rd** by 5pm
Friday **September 2nd** by 5pm
Monday **October 3rd** by 5pm
Thursday **November 3rd** by 5pm
Friday **December 2nd** by Noon

Payday is:

January 10th
February 10th
March 10th
April 11th
May 10th
June 10th
July 11th
August 10th
September 9th
October 11th
November 10th
December 9th



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Receipt of Employer Information Packet Acknowledgement

I, _____, am interested in being an
employer on behalf of _____ customer. I have received
the Employer Information Packet which includes:

- Things to Consider Before Becoming a Domestic Employer
- Services Provided by RCO Fiscal Intermediary
- Your Responsibilities in Working with a Fiscal Intermediary
- Hiring a Domestic Employee
- Paying Your Employee
- How to get paid ON TIME!

By signing below, I acknowledge that I:

1. Have been informed of what it means to be an employer and understand the requirements and responsibilities involved.
2. Understand that no caregiver or provider is to work for me without passing a Criminal History Records check, being approved to work in the United States, having received information on Mandatory Abuse Reporting and understanding confidentiality. *If an employee performs work for me before clearing a criminal history check and being qualified, I understand RCO can not pay for the work done.*

Employer's Signature Date

Witness by Title Date