

BACK TO SCHOOL 2020

Trends developing in response to COVID-19

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Nanny Shares

Also referred to as “care shares,” nanny shares are typically comprised of two families with children of the same age and a shared caregiver. These arrangements have been growing in popularity for the infant-toddler age range for the past decade – especially in cities where daycare and preschool spots are expensive or hard to come by. COVID-related facility closures are accelerating this trend.

Private Educators

Anticipating that school disruptions will continue into the 2020-2021 school year, many families are making plans to fill the gaps in care and education that they experienced during the spring semester. The number of families seeking private educators – typically former teachers or recent graduates with an education degree – is skyrocketing. However, the cost of hiring a private educator does not fit within the budget for the vast majority of families.

Learning Pods

The term “learning pod” is trending across the country as families with similar needs team up to tackle the upcoming school year. In some pods, parents plan to take turns overseeing the group of kids as they participate in the virtual learning program provide through their school. In other pods, the families are looking to bring in a “remote learning coordinator” for the pod. In addition to cutting the cost by allowing the families to split the hourly rate, this approach is attractive to many families for the peer-to-peer socialization.

Employee or Independent Contractor

A common question families have when hiring a virtual learning facilitator for their pod is how to classify the worker for tax purposes. Unless you're working with a tutoring service that offers services to the general public, sets the rates, and retains control over how the job is done, the IRS will likely consider the worker a W2 household employee. (Unfortunately, the only way to receive a definitive answer to this question is to file a form SS-8 with the IRS.)

In addition to being the conservative approach, going the employment route opens up access to important employment benefits for the employee, such as paid sick and family leave and unemployment insurance. These government-funded benefits provide financial assistance if time off is needed due to COVID-19 or it takes time for the employee to find another job when the arrangement ends.

HomePay for Care Shares

From pay days to tax time and all points in between, the HomePay service handles all the tax and payroll requirements and provides expert support along the way. You will also receive all the documentation you need to take advantage of childcare tax breaks, which usually exceed the employer tax costs for families in care share arrangements - meaning the families come out ahead financially by paying legally and providing their employee with access to important benefits!

For a complimentary budget assessment and more information about [HomePay for CareShares](#), please call us at 888-273-3356.

