



TO: ALL IN-HOME SUPPORTIVE SERVICES (IHSS) STAKEHOLDERS
FROM: CALIFORNIA DEPARTMENT OF SOCIAL SERVICES
SUBJECT: INFORMATION REGARDING W-2'S FOR IHSS PROVIDERS

It has come to the attention of the California Department of Social Services (CDSS) that Counties, Labor Organizations and other organizations that work with IHSS providers have been contacted regarding concerns with the accuracy of W-2s being received for wages earned providing IHSS services for the 2017 tax year. CDSS is aware that there may be some confusion as this is the first year live-in providers are receiving a W-2 after they filed a Live-In Self Certification Form (SOC 2298) to make their wages exempt from federal taxes. CDSS staff has been reviewing each case where a provider is reporting an error on their W-2 and has found no discrepancies. Due to the ongoing confusion, CDSS is sending this communication with the following information with the hope that we can help answer some common questions, and members of our advocate community, you can possibly assist providing information to our IHSS providers and allay any fears that the information reported on their W-2s is incorrect.

Here are some common questions IHSS providers have been asking about their W-2s:

My W-2 doesn't match the year-to-date totals on my paystub for the second half of December?

The wages that are reported on providers' 2017 W-2 forms will only reflect wages from payments with an issue date from January 1, 2017 to December 31, 2017. The issue date is the date that the payment is deposited into a bank account, or mailed to the provider. Payments issued to providers after January 1, 2018, are not reported on their 2017 W-2 form.

For example, if a timesheet was received at the Timesheet processing center on December 27, 2017, and the payment was issued on January 2, 2018, those wages will not be included on the 2017 W-2 form, they will be on the 2018 W-2 form. This will likely mean that a provider's December 16-31, 2017 earnings statement will not match the earnings reported on their 2017 W-2 form, since most of these payments are issued in 2018.

Why is there no income, or only part of my income reflected as Federal wages in box 1 and State wages in box 16 on my W-2 after filing a SOC 2298?

Tax year 2017 marks the first year when IHSS W-2 forms will reflect the exemption of wages paid to live-in providers. If a provider lives with their recipient and has filed the SOC 2298, any wages paid to them following the receipt of the form will not be reported as wages. Any payments that were issued in 2017 prior to the SOC 2298 form being processed will show as income. This means that in box 1 and box 16 on the W-2 form, they will not see the full amount of gross wages earned in the year as they are not considered to be taxable based on the IRS rule.



How do I get my income to be reported on my 2017 W-2 after filing a SOC 2298?

If a provider completed a SOC 2298 form, a corrected W-2 cannot be requested. If providers want to exempt wages that were reported on the W-2 should seek guidance from the IRS or a tax advisor on the proper way to file their taxes. Information may be found on the IRS Website, Publication 525, topic Medicaid Waiver or Difficulty of Care Payments. Providers or their representatives should read the IRS Questions and Answers link on this topic.

Why do I show income in box 3 (FICA) and 5 (Medicare)?

The SOC 2298 only applies to Federal and State taxes, so if the provider was subject to FICA taxes, their full wages for the year will be reported in box 3 (Social Security Wages) and box 5 (Medicare wages and tips) on the W-2 form.

What happens if I stop living with the recipient?

If a provider's living arrangements change and their recipient no longer lives with them and they continue to provide care to the recipient, they should file a Live-In Self-Certification Cancellation Form (SOC 2299) with the Processing Center. In addition, they should also file a Change of Address Form (SOC 840) with their local IHSS County Office to ensure that their address is properly updated.

Providers who have additional questions about their SOC 2298 and their 2017 W-2 form can find additional information at this CDSS Website:

<http://www.cdss.ca.gov/inforesources/IHSS/Live-in-provider-self-certification>

In addition, please direct questions regarding the SOC Form 2298, Live-In Self Certification Form, to the IHSS Provider Help Line at 866-376-7066.

Thank you for your assistance.