

# IMPORTANT: IRS NOTICE 2014-7



## Are You a Live-in Caregiver?

### 1. What is IRS Notice 2014-7?

This notice provides that certain payments received by an individual care provider under a state Medicaid Home and Community-Based Services Waiver (Medicaid waiver) program, described in this notice, are difficulty of care payments excludable under § 131 of the Internal Revenue Code.

### 2. How does this affect me as a live-in caregiver?

A live-in caregiver is defined as a caregiver who lives with their participant, regardless of whose home it is. As a live-in caregiver, this notice affects you individually as it allows your payments to be exempt from federal and state taxes. Please note that this is something that you, as a participant-hired worker, must choose to do each year.

*IMPORTANT NOTE: We highly recommend speaking with a tax professional to fully understand the tax implications of this notice. iLIFE cannot give tax-related advice.*

### 3. What do I need to do if I choose to act upon this notice?

1. Contact your tax advisor to discuss how this might affect your personal income taxes based on your individual situation.
2. You will need to complete a new IRS Form W-4 Employee's Withholding Certificate showing your "exempt" status in step 4, a new WT-4 Employee's Wisconsin Withholding Exemption Certificate showing your "exempt" status on line 3, and the enclosed Notice 2014-7: Caregiver Exemption Statement. You will need to send these documents to iLIFE via email at [IRIS.employment@iLIFE.org](mailto:IRIS.employment@iLIFE.org) or via mail to iLIFE, PO Box 91760, Milwaukee, WI 53209.



Scan the QR Code  
above to access the  
link listed below.

**For more information and FAQs, please visit the link below.**

<https://www.irs.gov/individuals/certain-medicaid-waiver-payments-may-be-excludable-from-income>