

# Eldercare

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- I. Eldercare by its very name could be simplistically defined as the “care of the elderly”, conjuring images of hearing aids and bedpans.

*Two elderly men were eating breakfast in a restaurant one morning. Ed noticed something funny about Joe's ear. He said, "Joe, did you know you've got a suppository in your left ear?" "I have? A suppository?" Joe pulled it out and stared at it. Then he said: "I'm glad you saw this thing. Now I think I know where my hearing aid is."*

A. Statistics<sup>1</sup>

- Every 7 seconds another Baby Boomer turns 50
- 5,574 Americans celebrate their 65<sup>th</sup> birthday each day
- During the past century, the 65-74 year old age group increased by 800%, the 75-84 age group grew by 1600%, while the 85+ age group mushroomed by 3100% (!)
- By the year 2030, one of every five Americans will be elderly
- The average life expectancy of a person aged 65 is now 17.89 years
- 52.5% of the older population reports having at least one disability

B. Needs

- Maintaining independence and pride
- Perpetuating accustomed quality of life
- Day-to-day care if unable to manage the Activities of Daily Living (ADLs)

*An elderly lady asks an elderly man to define his criteria for finding an eligible bride. Accustomed to talking with his hands, he rubs his index finger and thumb together. The lady nods appreciatively and says, "So you want a girl with money." The old man continues and taps the side of his head. She understands and says, "You want someone with brains." Finally the man cups both hands and holds them out in front of him. The old lady is perplexed and asks, "Why do you want someone with arthritis?"*



- Assistance in lieu of or in addition to those traditionally provided by distant or busy family members
- Supplementing aid offered by governmental agencies and public welfare organizations
- Protection from unscrupulous individuals

*An old maid was held up in a dark alley. She explained that she had no money, but the robber insisted that it must be in her bra and started feeling around. "I told you I haven't got any money," the spinster said. "But if you keep doing that, I'll write you a check."*

C. Filling the Vacuum

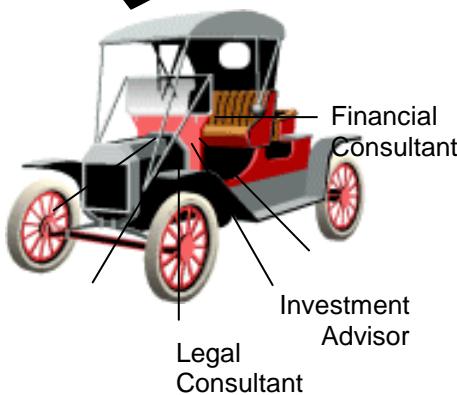
1. Eldercare Assurance—coordinates services provided to the senior by an interdisciplinary team of service providers, ranging from medical to financial experts.

<sup>1</sup> from the U.S. Bureau of the Census, the National Center on Health Statistics, the Bureau of Labor Statistics and the Administration on Aging

# Elderly Patient

## Concerned Family

Caregivers  
Insurance  
Medical  
Professional



- Range of services include:
- Financial & Estate Planning
  - Budgeting
  - Bill-paying
  - Tax Preparation
  - Manage real estate property
  - Evaluate and report performance of other parties, such as contractors
  - Transportation, housekeeping and other services
  - Preparation of employee returns for caregivers and household help
  - Home hazard inspection
  - Drug utilization review

### Senior Prayer

*God grant me the senility to forget the people I never liked anyway,  
the good fortune to run into the ones that I do,  
and the eyesight to tell the difference.  
Amen.*

## 2. Matters to Consider

- Powers of attorney
- Guardianship, conservatorship or trusteeship
- Living wills and advanced medical directives
- Medicare and Medicaid
- Long-term care and medigap insurance

- Viatical insurance settlements
- Reverse mortgages versus sale and leaseback of home
- Family dispute mediation
- Coordinate team of healthcare, legal, and other professionals
- Establish and monitor care
- Communicate expectations to caregivers

## 3. Skills and Traits Sought

- Patience
- Composure
- Decisiveness
- Compassion
- Dedication
- Humor

*An old gent was backing his Rolls Royce into the last available parking space, when a zippy red sports car whipped in behind him to take the spot.*

*The young driver jumped out and said, "Sorry Pops, but you've got to be young and smart to do that."*

*The old man ignored the remark and kept reversing until the Rolls had crunched the sports car into a crumpled heap. "Sorry son, you've got to be old and rich to do that!"*

## 4. Available Resources

### a. Community Services

#### • Telephone Yellow Pages

See: "Elder Care", "Physicians—Geriatrics", "Nurses and Nurses' Registries", "Attorneys—Elder Law", "Assisted Living Facilities", "Nursing Homes", "Homes—Residential Care", "Retirement Communities", "Home Health Services", "Senior Citizens' Services & Organizations", "Alzheimer's Educational Referral & Support Services"

- **New Lifestyles—The Source for Seniors.**

Available for free, this compendium is tailored for 45 metropolitan communities throughout the U.S. and Canada. It can be ordered by calling or (800) 869-9549 or visiting [www.newlifestyles.com](http://www.newlifestyles.com).

- **Putting People First—Senior Services**

Offered through the office of former Councilman Joel Wachs (2<sup>nd</sup> District, Chairman of the Public Works Committee). Topics run the gamut from eldercare services to funeral information, transportation, consumer protection and anti-crime services geared specifically for the elderly resident.

b. Governmental Agencies

- **Access America for Seniors—[www.seniors.gov](http://www.seniors.gov)**

Information about programs for seniors and links to other senior sites

- **Administration on Aging—[www.aoa.gov](http://www.aoa.gov)**

A comprehensive resource directory, including an eldercare locator by ZIP code

- **Agency on Aging—[www.eldercare.gov](http://www.eldercare.gov)**

Information on local resources available to seniors

- **Centers for Medicare and Medicaid—[www.cms.gov](http://www.cms.gov)**

Medicare and Medicaid information for consumers and providers

- **Medicare Handbook & Consumer Information—[www.medicare.gov](http://www.medicare.gov)**

Information on everything from prescription drug assistance to contact phone numbers and regional care locators

- **National Institute on Aging—[www.nih.gov/nia](http://www.nih.gov/nia)**

Health and medical information for the aged

- **Social Security Administration—[www.ssa.gov](http://www.ssa.gov)**

Information and online benefit applications

*"You know you're getting old when you stoop to tie your shoes and wonder what else you can do while you're down there."*

--George Burns

c. Non-profit Organizations

- **Alzheimer's Association—(800) 272-3900**

- **American Association of Retired Persons (AARP)—[www.aarp.org](http://www.aarp.org)**

Resources on consumer issues affecting those over 50 as well as links and details on AARP initiatives and member benefits

- **Amer. Assoc. of Homes & Services for the Aging—[www.ahsa.org](http://www.ahsa.org)**

Information on continuing care retirement communities and on the Continuing Care Accreditation Commission

- **American Geriatrics Society—[www.americangeriatrics.org](http://www.americangeriatrics.org)**

Issues affecting the aging

- **Foundation for Health in Aging—[www.healthinaging.org](http://www.healthinaging.org)**

Education, advocacy and other resources on elder issues

- **Health Insurance Association of America—[www.hiaa.org](http://www.hiaa.org)**

Medigap policies and LTC insurance

- **Jt. Commssn. on Accreditation of Health Care Orgs—[www.jacaho.org](http://www.jacaho.org)**

A listing of accredited health care facilities in all 50 states. Checklists for use in choosing a health care facility or provider. Explanation of the accreditation program

- **National Academy of ElderLaw Attorneys—[www.naela.org](http://www.naela.org)**

Information for and about NAEZA members

- **National Association of Area Agencies on Aging—[www.n4a.org](http://www.n4a.org)**

Information about local area agencies on aging, including numerous local and national links

- **Natl. Assoc. of Pro. Geriatric Care Managers—[www.caremanager.org](http://www.caremanager.org)**

How to find a geriatric care manager

- **National Association of Social Workers—[www.socialworkers.org](http://www.socialworkers.org)**

Information about social workers and links to other organizations

- **National Council on the Aging, Inc—[www.ncoa.org](http://www.ncoa.org)**

More resources for the aging and their families

- **National Hospice Organization—(800) 338-8619**

- **Natl. Resource & Policy Ctr. on Housing & LT Care—[www.homemods.com](http://www.homemods.com)**

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*"Granted, we're living longer—on the other hand, we're out of it sooner."*

The Home Modification Assistance Program site, which provides support for builders and others to make alterations to homes to allow for independent living

- **National Senior Citizens Law Center—[www.nsclc.org](http://www.nsclc.org)**  
Advocacy for the aged
- **OASIS—[www.oasisnet.org](http://www.oasisnet.org)**  
This national educational organization is dedicated to enhancing the quality of life for mature adults by offering programs in arts, humanities and health as well as links to eldercare service websites
- **Visiting Nurse Associations of America—[www.vnaa.org](http://www.vnaa.org)**  
Links to local visiting nurse associations

*I get up each morning and dust off my wits,  
Go pick up the paper and read the obits.  
If my name isn't there,  
I know I'm not dead.  
I get a good breakfast and go back to bed.*

d. Professional Associations

- **American Bar Association—[www.abanet.org](http://www.abanet.org)**
- **American Institute of CPAs—[www.aicpa.org](http://www.aicpa.org)**
- **American Medical Association—[www.ama-assn.org](http://www.ama-assn.org)**
- **California Medical Association—[www.cmanet.org](http://www.cmanet.org)**  
Free legal forms are available here as well as an explanation and comparison of available healthcare plans

e. Other

- **Careguide—ElderCare Resource Center—[www.careguide.net](http://www.careguide.net)**  
Search for health care providers in your area
- **Concern for the Dying—Society for the Right to Die**  
250 West 57<sup>th</sup> Street New York, NY 10017
- **Eldercare Locator—(800) 677-1116**
- **ElderCare Online—[www.ec-online.net](http://www.ec-online.net)**  
Devoted to "people caring for aging loved ones"
- **ElderLaw—[www.elderlawanswers.com](http://www.elderlawanswers.com)**  
Attorney H. Clyde Farrell of Austin, TX offers extensive information on disability, nursing homes, estate planning and long-term care insurance
- **ElderWeb—[www.elderweb.com](http://www.elderweb.com)**  
Numerous links to resources, useful articles and a listing of some of the CPAs now providing ElderCare service

## II. Hiring Help

### A. Domestic Help

#### 1. Job Description [see Appendix for Sample]

- Scope
- Tasks and responsibilities
- Work hours
- Restrictions

*Old man Murray goes to the doctor with a very worried look on his face. "Doctor," he says, "You've got to help me. Do you remember those voices in my head I always complain about?"*

*"Yes," the doctor replies.*

*"Well they've suddenly gone away," Murray says.*

*"So what's the problem?"*

*"I think I'm going deaf."*

#### 2. Interviewing

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a. Federal Laws Prohibiting Job Discrimination

- Title VII of the Civil Rights Act of 1964 (Title VII)—prohibits employment discrimination based on race, color, religion, sex, or national origin
- Equal Pay Act of 1963 (EPA)—prohibits sex-based wage discrimination
- Age Discrimination in Employment Act of 1967 (ADEA)—protects individuals who are 40 years of age or older
- Title I and Title V of the Americans with Disabilities Act of 1990 (ADA)—prohibits employment discrimination against qualified individuals with disabilities in the private sector, and in state and local governments
- Sections 501 and 505 of the Rehabilitation Act of 1973—prohibits discrimination against the disabled who work in the federal government
- Civil Rights Act of 1991—provides monetary damages in cases of intentional employment discrimination

b. Acceptable Inquiries

- "This job requires an employee to assist a patient up two flights of steps. Can you perform this function with or without reasonable accommodation?"
- Employer may ask if an applicant drinks alcohol or has been arrested for driving under the influence of alcohol.
- "How many days were you absent from work last year?"
- "Are you currently using illegal drugs?" or "Have you used illegal drugs in the last six months?"

c. Unacceptable Questions

- "Have you ever been unable to cope with work-related stress?"
- "How many days were you sick last year?"
- An employer may not ask questions concerning prior job-related injuries or past worker's compensation claims.

*An elderly woman decided to have her portrait painted. She told the artist, "Paint me with diamond earrings, a diamond necklace, emerald bracelets, a ruby broach, and a gold Rolex."*

*"But you are not wearing any of those things," replied the artist.*

*"I know," the woman said. "It's just in case I should die before my husband. I'm sure he will remarry right away, and I want his new wife to go crazy looking for all of that jewelry."*

d. Creative Questions

- "If you could be any animal, what would you be?"
- "If you were having a dinner party and could invite three famous people, who would they be?"
- "Why are manhole covers round?"<sup>2</sup>

e. Agency Pros and Cons

- Applicants are pre-screened
- Replacement workers are readily available
- Employees are bonded
- Payroll tax burden is transferred

B. Independent Contractors (→ 1099) versus Employees (→ payroll and W-2)

1. Factors Considered—20 common law factors

- Does employer control how work results are achieved?
- Can worker realize a profit or incur a loss?
- Does worker have a significant investment in tools and equipment?
- Does worker perform similar services for other employers?
- Is worker compensated hourly or upon completion of the job?

<sup>2</sup> *The Strangest Job Interview Questions*, [www.smartpros.com](http://www.smartpros.com)

- Do the parties have a written employment contract?
  - Are benefits provided?
  - Is the work-relationship intended to be on-going?
  - Does employer have the right to discharge worker?
2. Casual Laborers—treated as employees
- workers performing a variety of services, usually on a temporary or part-time basis
  - often hired for just an hour, a day, or a week
  - might be a student or a handyman, but usually does not include gardener or pool-man
3. Forms
- Form W-9: Request for Taxpayer Identification Number
  - 1099-MISC: due if over \$600 is paid to an individual, sole proprietorship, or partnership
  - DE-542: due within 20 days after making payments totaling \$600 or more
4. Penalties for Misclassification
- \$50 for each 1099 not filed
  - 10% of amount intentionally not reported on 1099
  - \$50 for each 1099 filed without taxpayer ID

*Two old ladies have played bridge together for many years, and naturally have gotten to know each other pretty well.*

*One day, during a game of cards, one lady suddenly looks up at the other and says, "I realize we've known each other for many years, but for the life of me, I just can't bring it to mind... Would you please tell me your name again, dear?"*

*There is dead silence for a couple of minutes. Then the other lady responds, "How soon do you need to know?"*

### C. Tax Issues [see Appendix for Forms]

1. Nanny Tax (Social Security Domestic Employment Reform Act of 1994)
  - Applies to baby-sitters, caretakers, housekeepers, cooks and possibly gardeners or handymen
2. Registering as an Employer
  - Form SS-4: Application for Employer Identification Number—fill in form and then obtain TIN by calling (800) 829-4933
  - DE-1HW: Registration Form for Employers of Household Workers—file as soon as wages in excess of \$750 have been paid
  - DE-34: Report of New Employee(s)—all California employers must report all their new or rehired employees who work in California to the New Employee Registry no later than twenty (20) days after their start-of-work date
3. Verifying Employee's Documents
  - Form I-9: Employment Eligibility Verification—every employer must have form on file for each new employee, unless employee has been continuously employed by the same employer since 1986 or worker provides services as an independent contractor
  - Form W-4 (DE-4 for California)—employee must sign on or before first day of work

*As a senior citizen was driving down the freeway, his car phone rang.*

*When he answered, his wife urgently warned him, "Clarence, I just heard on the news that there is a car going the wrong way on the Interstate. Please be careful!"*

*"Hell," said Clarence, "It's not just one car. It's hundreds of them!"*

4. Payroll Tax Reporting
  - a. FICA (including 6.2% Social Security and 1.45% Medicare)—due on wages in excess of \$1,400/employee
  - b. FUTA (6% of the first \$7000 wages/employee)—due if aggregate wages exceed \$1000/quarter (but employer may receive partial credit for SUI paid to state fund)

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- c. Unemployment Tax SUI (rate for new employers is 3.4% of the first \$7000 wages/employee)—due if aggregate wages exceed \$1000/quarter
- d. State Disability Tax SDI (employer must withhold and submit employee's tax of 1.18% on the first \$68,829 wages/employee)—due if wages exceed \$750/quarter
- e. Employment Training Tax ETT (0.1% of the first \$7000 wages/employee)—due if aggregate wages exceed \$1000/quarter
- f. Income tax withholding—employer is exempt from w/h requirements unless requested by employee on Form W-4 (employee is nevertheless responsible for federal and state income tax)
- g. Advanced Earned Income Credit—low-income wage earners with qualifying child(ren) may be eligible for tax credit that can be used to decrease payroll withholdings. Employee must provide employer with signed Form W-5 *Earned Income Credit Advance Payment Certificate*. Employer must give notice to employee by January 31<sup>st</sup> about possible eligibility using Notice 797 *Possible Federal Tax Refund Due to the Earned Income Credit (EIC)*.
- h. Gross-ups—if an employer pays any portion of employee's FICA or income taxes, this amount is considered taxable income to the employee and a gross-up amount must be calculated to cover the extra tax.

*The reason grandparents and grandchildren get along so well is that they have a common enemy!*  
--Margaret Mead

## 5. Reporting Requirements

- DE-3BHW: Quarterly Report of Wages & Withholdings for Employers of Household Workers—can be filed in lieu of DE-6 if employer has elected to pay taxes on wages to household workers under \$20K on an annual basis (due one month after each calendar quarter)
- DE-3HW: Annual Payroll Tax Return for Employer of Household Workers—due to EDD by Jan.31<sup>st</sup>
- Schedule H: Household Employment Taxes—due to IRS with Form 1040 by Apr. 15<sup>th</sup>
- Estimated tax payments—amounts due for anticipated payroll taxes must be included in quarterly vouchers
- Form W-2: Wage & Tax Statement—due to employee by Jan. 31<sup>st</sup>, to SSA by Feb. 28<sup>th</sup>
- Form W-3: Transmittal of Income & Tax Statements—due to SSA by Feb. 28<sup>th</sup>

## 6. Summary

### Household Employer's Checklist

When you hire a household employee:	<input type="checkbox"/> Find out if the person can legally work in the United States. <input type="checkbox"/> Find out if you need to pay state taxes.
When you pay your household employee:	<input type="checkbox"/> Withhold social security and Medicare taxes. <input type="checkbox"/> Withhold federal income tax. <input type="checkbox"/> Make advance payments of the earned income credit. <input type="checkbox"/> Decide how you will make tax payments. <input type="checkbox"/> Keep records.
By February 2, 2004:	<input type="checkbox"/> Get an employer identification number. <input type="checkbox"/> Give your employee Copies B, C, and 2 of Form W-2, <i>Wage and Tax Statement</i> .
By March 1, 2004:	<input type="checkbox"/> Send Copy A of Form W-2 to the Social Security Administration.
By April 15, 2004:	<input type="checkbox"/> File Schedule H (Form 1040), <i>Household Employment Taxes</i> , with your 2003 federal income tax return (Form 1040). If you do not have to file a return, use one of the other filing options, such as the option to file Schedule H by itself.

## 7. Contact Information

- **Employment Development Dept. (EDD)**—(888) 745-3886 or [www.edd.ca.gov](http://www.edd.ca.gov)
- **Internal Revenue Service (IRS)**—(800) 829-1040 or [www.irs.gov](http://www.irs.gov)
- **Franchise Tax Board (FTB)**—(800) 852-5711 or [www.ftb.ca.gov](http://www.ftb.ca.gov)
- **Social Security Administration (SSA)**—(800) 772-1213 or [www.ssa.gov](http://www.ssa.gov)
- **US Citizenship & Immigration Services (USCIS)**—(800) 375-5283 or [www.uscis.gov](http://www.uscis.gov)

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*"I was thinking about how people seem to read the Bible a whole lot more as they get older. Then it dawned on me... they're cramming for their final exam."*

--George Carlin

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