

# Ask the Tax Expert

*Frequently Asked Questions About Household Employment Taxes*

*By Stephanie Breedlove, founder of Austin-based Breedlove & Associates, the nation's leader in tax & payroll services for household employers*



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## **Q: How do we compensate our nanny when she travels with us on vacation?**

**A:** Employment law requires you to compensate your employee for all hours worked during the trip – including travel time. You are not required to pay her for “non-working” time (i.e. free time completely on her own, sleeping time, etc.).

Because it's a vacation destination, there is often a question about what should be considered “working time.” The rule of thumb is fairly straightforward: if the nanny is in charge of watching the children – even if she's doing it while snow skiing or playing on the beach – it's considered “working time.”



Because the work schedule during vacation travel is often very different than the normal home schedule, problems can arise if you don't have an equitable way to compensate for the changed number of hours. So, if your employee is on a salary, consider converting the salary into an hourly rate and having a discussion about compensation before the trip. This will ensure fair pay for hours worked and prevent a situation where one of the parties feels abused and resentful.

*Founded in 1992 — by household employers for household employers — Breedlove & Associates has served over 17,000 families with their no-work, no-worry tax & payroll service. For more information or a free phone consultation compliments of Morningside Nannies, call 888-273-3356 or visit [www.breedlove-online.com](http://www.breedlove-online.com).*