

# 2026 NUMBERS TO KNOW

## *tax threshold*

**\$3,000/year**

Employers and household employees each pay 7.65% in FICA taxes (Social Security and Medicare) on cash wages over \$3,000 in 2026.

## *end of the year form*

**W-2**

A W-2 form is a tax form that the employer provides to report the nanny's annual wages and the taxes withheld during the year. It includes details like total earnings, Social Security and Medicare taxes, federal and state income taxes withheld, and any other applicable deductions. The nanny uses the W-2 to file their personal income tax return. Employers must present the W-2 by January 31st.

## *overtime pay*

**1.5**

Nannies are at-will hourly employees who are entitled to overtime pay (1.5 times their regular rate) for hours worked over 40 in a week.

## *mileage reimbursement*

**72.5 cents/mile**

The IRS has raised the mileage reimbursement rate for 2026, up 2.5 cents from 2025.

## *healthcare reimbursement*

**\$6,450/year**

The QSEHRA (Qualified Small Employer Health Reimbursement Arrangement) limits have increase to \$6,450 for individuals, up to \$537.50/month.

## *new employee form*

**I-9**

An I-9 form is used to verify an employee's identity and legal authorization to work in the U.S. It requires the employee to provide personal information and documentation, which the employer must review and confirm. This is a mandatory form for all employees.

## *new employee form*

**W-4**

A nanny, who is classified as a household employee, should fill out a W-4 form at the start of a new position. This helps the employer determine the correct amount of federal income tax to withhold from the nanny's paycheck.