



Employer Legal Responsibilities

*This document outlines your basic responsibilities as an employer of direct care workers, as required by law. **Remember that there are companies available to help you meet these responsibilities correctly.** You don't have to do it alone; support is available.*

The companies that can assist you may vary depending on which program you participate in. Just know that help is available.

U.S. Federal Law Requirements

The employer responsibilities covered here involve wages, taxes, insurance, and recordkeeping.

Wages

You (or the company helping you) is required to pay your workers the wages and overtime rates that are required by the [Fair Labor Standards Act](#):

- At least the minimum wage of \$7.25 per hour for up to 40 hours per week (unless the worker's primary role is to keep you company rather than help you complete tasks)
- Overtime pay (1.5 times the regular hourly wage) for any hours over 40 per week (There are different rules for workers who live with you)

Employee Tax Withholdings

You (or the company helping you) must withhold (take out) money from your employees' paycheck for federal taxes and send it to the Internal Revenue Service (IRS). The taxes are:

- Federal income tax

- FICA¹ tax for Social Security
- FICA tax for Medicare

Employer Taxes

You (or the company helping you) are required to pay the IRS your share of taxes on the wages you paid to your employees:

- FICA tax for Social Security
- FICA tax for Medicare
- FUTA² tax

Recordkeeping

The Fair Labor Standards Act outlines 1) the types of records you (or the company helping you) must keep for your employees and, 2) how long you must keep them: [Fact Sheet #21: Recordkeeping Requirements under the Fair Labor Standards Act \(FLSA\)](#)

Wisconsin State Law Requirements

Resources: [Wisconsin Labor Standards](#), [Wisconsin Civil Rights and Labor Laws](#)

Wages

Wisconsin's minimum wage is the same as the federal minimum wage.

¹ Federal Insurance Contribution Act includes taxes for Social Security and Medicare (You and the employee each pay half of this tax)

² Federal Unemployment Tax Act (unemployment insurance)

Employee Tax Withholdings

You (or the company helping you) must withhold (take out) state income taxes from your employees' paycheck and send them to the Wisconsin Department of Revenue.

Employer Taxes

You (or the company helping you) is required to pay a SUTA³ tax to the Wisconsin Department of Workforce Development.

Workers' Compensation Insurance

If you meet certain requirements,⁴ you (or the company helping you) must buy workers' compensation insurance. This insurance protects both you and your workers against medical costs or lawsuits associated with an injury or sickness that happened as a result of working for you.

Recordkeeping

Wisconsin's requirements for the employee records that you (or the company helping you) must keep are similar to the federal requirements and is outlined here: [Record Keeping Requirements for Wisconsin Employers](#)

³ State Unemployment Tax Act (unemployment insurance)

⁴ See website for requirements: <https://dwd.wisconsin.gov/wc/employers/>