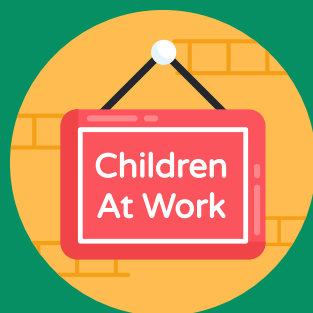


THE PROCESS OF

Employing your own minor child



IRS PUBLICATION 15, CIRCULAR E EDD FAMILY EMPLOYMENT

1

OBTAIN A FEDERAL IDENTIFICATION NUMBER (EIN)

- <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>

SERVICE BY MINOR CHILD MUST BE REASONABLE AND BONA FIDE

- Hire your child to perform a legitimate service.

2

3

PAY YOUR CHILD WITH REAL MONEY.

- Track your child's hours.
- Pay a reasonable wage.

FILE TAX FORMS AT THE END OF THE YEAR.

- File form 940, 944, and W2's by the due date. If you are a 941 filer, you must file quarterly returns instead of form 944.

4

5

YOUR CHILD MUST FILE A TAX RETURN IF THEIR INCOME EXCEEDS ANNUAL THRESHOLDS.

CALIFORNIA EDD DOES NOT CONSIDER MINOR CHILD PAYMENTS "EMPLOYMENT"

- No state annual payroll tax forms due.
- Review DE 231FAM for details.

6

7

DON'T TAKE TAX ADVICE FROM AN INFOGRAPHIC. TALK TO YOUR TAX ADVISOR.

