

Patricia Baxter
Authorized Signature

Number: SPD-AR-12-003
Issue Date: 1/20/2012

Topic: Provider Information

Due Date: 2/16/2012

2012 W-4 Forms for Homecare Workers Claiming Exempt Status on Income
Subject: Tax Withholding

Applies to (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> All DHS employees | <input type="checkbox"/> County Mental Health Directors |
| <input checked="" type="checkbox"/> Area Agencies on Aging | <input type="checkbox"/> Health Services |
| <input type="checkbox"/> Children, Adults and Families | <input checked="" type="checkbox"/> Seniors and People with Disabilities |
| <input type="checkbox"/> County DD Program Managers | <input type="checkbox"/> Other (please specify): |

Action Required:

Homecare workers (HCWs) who claim exempt status for income tax withholding purposes must file a new W-4 form (Employee's Withholding Allowance Certificate) each year. The exemption for the current year expires February 16, 2012. HCWs must complete a new W-4 form and return it to the local APD/AAA office if they wish to continue to claim exempt status. On January 20, 2012, APD Central Office will be sending a letter and new W-4 form to all HCWs who claimed exempt status, informing them of the need to update their exempt status.

Local APD/AAA staff must enter the new information into the Financial/Tax screen on Oregon ACCESS prior to **February 16, 2012**. If a HCW does not return the new W-4 form before the deadline, Internal Revenue Service (IRS) guidelines require APD to change the HCW's tax status to "single" with zero withholdings, which is the highest tax withholding rate. Local APD/AAA offices must keep copies of the W-4 forms in the HCWs' provider files for at least four years. **Do not forward W-4 forms to APD Central Office.**

APD/AAA offices should not provide any tax advice to HCWs or assist them in completing the forms. The Homecare Workers' union (SEIU Local 503, OPEU) is not able to provide any tax advice to HCWs. Local APD/AAA offices may refer HCWs to the IRS at 1-800-829-1040 or suggest they contact tax experts who may help answer their questions.

Important Note:

Even when a homecare worker claims exempt status, the Department of Revenue can make the determination that the withholding amount should be changed. The Department of Revenue will notify the Payment Support Unit in writing of the determined status and allowances (e.g. Status- Single; Allowances -1) and they will make the required changes and send the local office a copy of the letter received from the Department of Revenue. The letter must be maintained in the homecare worker's provider file. If the homecare worker files a new certificate claiming more allowances than the Department of Revenue has determined, the local offices must send the Department of Revenue a copy of the W-4 form.

Additional W-4 forms can be obtained on-line at the IRS website: <http://www.irs.gov/>

A copy of the letter being mailed to HCWs is attached.

Reason for Action: Current tax exemption for Homecare Workers claiming exempt status expires 02/16/12. Local APD/AAA offices must process new forms received at the local office upon receipt.

Field/Stakeholder review: Yes No

If yes, reviewed by: SPD Operations, SPD Policy

If you have any questions about this action request, contact:

Contact(s):	Jenny Cokeley, Operations and Policy Analyst		
Phone:	503-945-6985	Fax:	503-947-4245
E-mail:	jenny.e.cokeley@state.or.us		

January 20, 2012

Subject: Homecare workers - Exemption for income tax withholding notice. Immediate action required.

Department of Human Services - Aging and People with Disabilities (DHS-APD) withholds income tax for Homecare Workers (HCW) unless the HCW claims they are exempt on their W-4 form. Exemptions from tax withholding expire after a certain time. Under IRS regulations, those who claim exempt need to complete a new W-4 form each year.

The W-4 form indicates how long the current exemption will remain active prior to expiration. Our records indicate you claimed exempt status last year and your exemption is expiring 02-16-12. Therefore, if you wish to claim exempt status for 2012 you need to send an updated W-4 form to your local Aging and People with Disabilities office where you receive your payment vouchers.

Enclosed is the 2012 W-4 form for you to complete. The W-4 form (*Employee's Withholding Allowance Certificate*) is where you designate your filing status and the number of allowances you want to claim. Instructions are included on the form. Please complete and return the signed W-4 form to the local Aging and People with Disabilities office where you return your payment vouchers.

If your W-4 form has not been received by February 9, 2012 and recorded by DHS, IRS rules require that taxes be withheld at the highest rate (*filing status of single with zero allowances*).

DHS employees cannot provide you with any tax advice and are not allowed to tell you how to fill out the W-4 form. If you need assistance in completing the form, please contact a tax expert or the Internal Revenue Service (IRS) at 1-800-829-1040, or the Department of Revenue at 1-800-356-4222.

Please make sure the W-4 form is complete before returning it to the local Aging and People with Disabilities office where you return your payment vouchers. The W-4 form includes space (*sections 8 and 10 at the bottom of page 1*) for entering the employer and employer ID number. Please leave sections 8, 9 and 10 blank. These spaces will be filled out by APD staff.

If you have questions regarding this notice, please contact your local Aging and People with Disabilities office where you return your payment vouchers.

If you are no longer employed as a Homecare Worker and do not anticipate returning to home care employment, please disregard this notice.