



## Application for the Difficulty of Care Federal Income Tax Exclusion

<b>Participant Name:</b>	<b>Participant ID:</b>
<b>Direct Care Worker:</b>	<b>Direct Care Worker ID:</b>

### Section A: Applying for Difficulty of Care Federal Income Tax Exclusion

Certain payments received by an employee for supplying Medicaid services in the Participant home are considered Difficulty of Care payments that can be excluded from federal income tax. To determine if you are eligible for the income tax exclusion, complete the following steps. If you are eligible, Tempus Unlimited will not report the payments as income and will not withhold federal income taxes.

**STEP 1:** Read the information about the Difficulty of Care Federal Income Tax Exclusion. You can read the information that is found on the IRS Website at <https://www.irs.gov/individuals/certain-medicaid-waiver-payments-may-be-excludable-from-income>.

**STEP 2:** Check **all** that apply:

- I supply services to the Participant in my home.**  
*(NOTE: The Participant receiving care must live in the same house as the Direct Care Worker (DCW) Regardless of who owns the home.)*
- I do not have a separate home where I live.**
- This is the home where I live and regularly perform the routines of private life, including meals and holidays with family.**

**STEP 3:** If you checked **all** three, you are **eligible** for the Difficulty of Care Federal Income Tax Exclusion.

*Under penalties of lying under oath, I declare that I am a Direct Care Worker (DCW) receiving payments under a Medicaid Home and Community-Based Services Program. I live in a home with, and provide services to, the Participant listed at the top of this form. In reliance on my declaration, I understand Tempus Unlimited will not report my compensation as federal taxable wages and will not withhold or remit federal income taxes on my behalf.*

**IMPORTANT:** If you no longer live with the Participant you provide services to, you must notify your employer and submit the Difficulty of Care Termination to Tempus Unlimited to remove.

**Direct Care Worker Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

### Section B: Terminating Difficulty of Care Federal Income Tax Exclusion

*Under penalties of lying under oath, I declare that I no longer reside with a Participant that I provide services to and I am no longer eligible for the Difficulty of Care Federal Income Tax Exclusion.*

**Direct Care Worker Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_