ALLELUIA

Financial Management System
Difficulty of Care Form

Difficulty of Care Federal Income Tax Exclusion

IRS Notice 2014-7 states that employees who provide Medicaid services in the home that they reside in can be excluded from federal income tax. It does not matter who owns the home

You must meet certain criteria to qualify including:
- The employee lives with the person receiving services permanently.
- The employee does not have a separate home that they reside in.
- The home is where the employee regularly performs the routines of their private life. This includes shared meals and holidays with family.

You can find more information about Difficulty of Care Federal Income Tax Exclusion here: https://www.irs.gov/individuals/certain-medicaid-waiver-payments-may-be-excludable-from-income

Select all that apply:

☐ I provide services to the Participant in my home.

☐ I do not have a separate home where I reside.

☐ This is the home where I reside and regularly perform the routines of private life, including shared meals and holidays with family.

- If all the above apply, you are eligible for the Difficulty of Care Federal Income Exclusion.
- CA taxing authority and program rules follow federal guidelines for the difficulty of care exclusion, the exclusion would also be applicable in CA.
- You understand that if you no longer reside with the participant, you will no longer qualify and must terminate the Difficulty of Care Federal Income Exclusion by selecting the following:

☐ I no longer reside with the participant that I provide services to.

Under penalty of perjury, I declare that the information and responses provided on this form are accurate and complete.

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(Signature of Provider)

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Signed by (print name) *Date*