



Note: *The draft you are looking for begins on the next page.*

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This is an early release draft of an IRS tax form, instructions, or publication, which the IRS is providing for your information. **Do not file draft forms.** We incorporate all significant changes to forms posted with this coversheet. However, unexpected issues occasionally arise, or legislation is passed—in this case, we will post a new draft of the form to alert users that changes were made to the previously posted draft. Thus, there are never any changes to the last posted draft of a form and the final revision of the form. Forms and instructions are subject to OMB approval before they can be officially released, so we post drafts of them until they are approved. Drafts of instructions and pubs usually have some additional changes before their final release. Early release drafts are at [IRS.gov/DraftForms](https://www.irs.gov/DraftForms) and remain there after the final release is posted at [IRS.gov/LatestForms](https://www.irs.gov/LatestForms). Also see [IRS.gov/Forms](https://www.irs.gov/Forms).

Most forms and publications have a page on IRS.gov: [IRS.gov/Form1040](https://www.irs.gov/Form1040) for Form 1040; [IRS.gov/Pub501](https://www.irs.gov/Pub501) for Pub. 501; [IRS.gov/W4](https://www.irs.gov/W4) for Form W-4; and [IRS.gov/ScheduleA](https://www.irs.gov/ScheduleA) for Schedule A (Form 1040), for example, and similarly for other forms, pubs, and schedules for Form 1040. When typing in a link, type it into the address bar of your browser, not a Search box on IRS.gov.

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2025



Instructions for Schedule H

Household Employment Taxes

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Schedule H and its instructions, such as legislation enacted after they were published, go to [IRS.gov/ScheduleH](https://www.irs.gov/ScheduleH).

What's New

Social security and Medicare taxes for 2025. The social security tax rate is 6.2% each for the employee and employer. The social security wage base limit is \$176,100.

The Medicare tax rate is 1.45% each for the employee and employer, unchanged from 2024. There is no wage base limit for Medicare tax.

Social security and Medicare taxes apply to the wages of household workers you pay \$2,800 or more in cash wages in 2025. For more information, see [Cash wages](#) and [\\$2,800 test](#), later. For information about the rates and wage threshold that will apply in 2026, see Pub. 926.

Qualified parking exclusion and commuter transportation benefit. For 2025, the monthly exclusion for qualified parking is \$325 and the monthly exclusion for commuter highway vehicle transportation and transit passes is \$325.

Withholding on qualified overtime compensation. For tax years beginning after 2024, and ending before 2029, P.L. 119-21, commonly known as the One Big Beautiful Bill Act, allows individuals (employees and other workers not treated as employees) to deduct up to \$12,500 (\$25,000 if married filing jointly) in qualified overtime compensation on their income tax returns. Qualified overtime is overtime compensation that exceeds the regular rate of pay (such as the "and-a-half" portion of time-and-a-half compensation) that is required to be paid to an individual under section 7 of the Fair Labor Standards Act (FLSA) of 1938. The FLSA provides that employers must generally pay covered, nonexempt employees at least one-and-a-half times their regular rate of pay for hours worked over 40 hours per week. For more information about private homes and domestic service employment under the FLSA, go to [dol.gov/agencies/whd/fact-sheets/79-flsa-private-home-domestic-service](https://www.dol.gov/agencies/whd/fact-sheets/79-flsa-private-home-domestic-service). Employers use an employee's updated Form W-4, Employee's Withholding Certificate, if one is submitted by the employee, and the federal income tax withholding procedures in Pub. 15-T, Federal Income Tax Withholding Methods, to allow the employee to account for their expected deduction and receive more money in each paycheck instead of waiting until filing their income tax return to receive the benefit of this deduction. Overtime

compensation is still subject to both the employer share and employee share of social security tax and Medicare tax.

Employers and other payers must file information returns (for example, Forms W-2 and Forms 1099-MISC) with the SSA or IRS, as applicable, and furnish statements to overtime recipients showing qualified overtime compensation paid during the year. However, the IRS will provide transition relief to employers and payers for the tax year 2025 reporting requirements. Monitor [IRS.gov](https://www.irs.gov) for more information about the available relief.

Electronic payment. The IRS recommends paying electronically whenever possible. Options to pay electronically include using your bank account with [Direct Pay](#), your debit or credit card, your digital wallet, or your IRS Online Account. Go to [IRS.gov/Pay](https://www.irs.gov/Pay) to see all your payment options.

Bicycle commuting reimbursements. The Tax Cuts and Jobs Act previously suspended the exclusion of qualified bicycle commuting reimbursements from your employee's income for tax years beginning after 2017 and before 2026. P.L. 119-21 permanently eliminates this exclusion for tax years beginning after 2025.

Credit reduction state. A state that hasn't repaid money it borrowed from the federal government to pay unemployment benefits is a "credit reduction state." The Department of Labor determines these states. If an employer pays wages that are subject to the unemployment tax laws of a credit reduction state, that employer must pay additional federal unemployment tax.

For 2025, there are credit reduction states. If you paid any wages that are subject to the unemployment compensation laws of a credit reduction state, your credit against federal unemployment tax will be reduced based on the credit reduction rate for that credit reduction state. Use [Worksheet 2](#) to figure your credit reduction for 2025.

Reminders

The COVID-19 related credit for qualified sick and family leave wages is limited to leave taken after March 31, 2020, and before October 1, 2021, and may no longer be claimed on Schedule H (Form 1040). The time periods for providing the leave for the credits for qualified sick and family leave wages, as enacted under the Families First Coronavirus Response Act (FFCRA) and amended and extended by the COVID-related Tax Relief Act of 2020, for leave taken after March 31, 2020, and before April 1, 2021, and the credit for qualified sick and family leave wages under sections 3131, 3132, and 3133 of the Internal Revenue Code, as enacted under the American Rescue Plan Act of 2021 (the ARP), for leave taken after March 31, 2021, and before October 1, 2021,

have expired. Effective for tax periods beginning after 2023, the lines used to claim the credit for qualified sick and family leave wages have been removed from Schedule H (Form 1040) because it would be extremely rare for an employer to pay wages after 2023 for qualified sick and family leave taken after March 31, 2020, and before October 1, 2021.

Outsourcing payroll duties. You're responsible to ensure that tax returns are filed and deposits and payments are made, even if you contract with a third party to perform these acts. You remain responsible if the third party fails to perform any required action. Before you choose to outsource any of your payroll and related tax duties (that is, withholding, reporting, and paying over social security, Medicare, Federal Unemployment Tax Act (FUTA), and income taxes) to a third-party payer, such as a payroll service provider or reporting agent, go to [IRS.gov/OutsourcingPayrollDuties](https://www.irs.gov/OutsourcingPayrollDuties) for helpful information on this topic. For more information on the different types of third-party payer arrangements, see section 16 of Pub. 15.



References to federal income tax withholding don't apply to employers in Puerto Rico unless you have employees who are subject to U.S. income tax withholding. Contact your local tax department for information about income tax withholding.

Paid preparers. If you use a paid preparer to complete Schedule H, the paid preparer must complete and sign the paid preparer's section of the Schedule H unless you're attaching Schedule H to Form 1040, 1040-SR, 1040-SS, 1040-NR, or 1041. A paid preparer must sign Schedule H and provide the information requested in the *Paid Preparer Use Only* section only if the preparer was paid to prepare Schedule H and isn't your employee. The preparer must give you a copy of the return in addition to the copy to be filed with the IRS.

General Instructions

These instructions give you some background information about Schedule H. They tell you who must file Schedule H, how to complete it line by line, and when and where to file it. If you want more in-depth information about household employment tax topics relating to Schedule H, see Pub. 926.

Who Needs To File Schedule H?

You must file Schedule H if you answer "Yes" to any of the questions on lines A, B, and C of Schedule H.

Did you have a household employee? If you hired someone to do household work and you could control what work they did and how they did it, you had a household employee. This is true even if you gave the employee freedom of action. What matters is that you had the right to control the details of how the work was done.

Example. You paid Peyton Oak to babysit your child and do light housework 4 days a week in your home. Peyton followed your specific instructions about household and childcare duties. You provided the household equipment and supplies Peyton needed to do the work. Peyton is your household employee.

Household work is work done in or around your home. Some examples of workers who do household work are:

Babysitters	Cooks	Maids
Butlers	Drivers	Nannies
Caretakers	Health aides	Private nurses
Cleaning people	Housekeepers	Yard workers

If a worker is your employee, it doesn't matter whether the work is full or part time or that you hired the worker through an agency or from a list provided by an agency or association. Also, it doesn't matter if the wages paid are for work done hourly, daily, weekly, or by the job.

If you're a home care service recipient receiving home care services through a program administered by a federal, state, or local government agency, and the person who provides your care is your household employee, you can ask the IRS to authorize an agent under section 3504 to report, file, and pay all federal employment taxes, including FUTA taxes, on your behalf. See Form 2678, Employer/Payer Appointment of Agent, for more information.



If a government agency or third-party agent reports and pays the employment taxes on wages paid to your household employee on your behalf, you don't need to file Schedule H to report those taxes.

Workers who aren't your employees. Workers you get from an agency aren't your employees if the agency is responsible for who does the work and how it is done. Self-employed workers are also not your employees. A worker is self-employed if only the worker can control how the work is done. A self-employed worker usually provides their own tools and offers services to the general public in an independent business.

Example. You made an agreement with a worker to care for your lawn. The worker runs a lawn care business and offers their services to the general public. The worker hires their own helpers, provides their own tools and supplies, and instructs the helpers how to do their jobs. Neither the worker nor their helpers are your employees.

For more information, see *What Forms Must You File?* in Pub. 926.

Who Needs To File Form W-2 and Form W-3?

Note. References to Form W-2 also apply to Form 499R-2/W-2PR unless otherwise specified. References to Form W-3 also apply to Form W-3 (PR) unless otherwise specified.

If you have a household employee, you need to withhold and pay social security and Medicare taxes if you paid cash wages of \$2,800 or more in 2025 to any one household employee. See [Did you have a household employee?](#) and [Line A](#), later, for more information.

You must file Form W-2 for each household employee to whom you paid \$2,800 or more of cash wages in 2025 that are subject to social security and Medicare taxes. To find out if the wages are subject to these taxes, see the instructions for Schedule H, [Line 1](#), [Line 3](#), and [Line 5](#),

later. Even if the wages aren't subject to these taxes, if you withheld federal income tax from the wages of any household employee, you must file Form W-2 for that employee. However, when not subject to social security and Medicare taxes, leave boxes 3, 4, 5, and 6 blank on Form W-2; only complete boxes 1 and 2. If the wages are below \$2,800 for 2025 and you complete boxes 3, 4, 5, and 6 on Form W-2, the SSA will reject your Form W-2.

Note. If you are a household employer located in Puerto Rico and wages are not subject to social security and Medicare taxes, leave boxes 20, 21, 22, and 23 blank on Form 499R-2/W-2PR, but complete the rest of the form according to your instructions. If the wages are below \$2,800 for 2025 and you complete boxes 20, 21, 22, and 23 of Form 499R-2/W-2PR, the SSA will reject your Form 499R-2/W-2PR.

If you're required to file a 2025 Form W-2 for any household employee, you must also send Form W-3 with Copy A of Form(s) W-2 to the SSA. Send one copy of Form W-3 with Copy A of Form(s) W-2 to the SSA, and keep one copy of Form W-3 for your records. You're encouraged to file your Forms W-2 and W-3 electronically. If filing electronically via the SSA's Form W-2 Online service, the SSA generates Form W-3 data from the electronic submission of Form(s) W-2. For more information on electronic filing, go to the SSA's Employer W-2 Filing Instructions & Information website at [SSA.gov/employer](https://ssa.gov/employer).

For more information, see *What Forms Must You File?* in Pub. 926.

Do You Have an Employer Identification Number (EIN)?

If you have household employees, you will need an EIN to file Schedule H. If you don't have an EIN, you may apply for one online by going to [IRS.gov/EIN](https://irs.gov/EIN). You may also apply for an EIN by faxing or mailing Form SS-4 to the IRS. Don't use your social security number (SSN) in place of an EIN. The Instructions for Form SS-4 explain how you can get an EIN immediately over the Internet, generally within 4 business days by fax, or in about 4 weeks if you apply by mail. Go to [IRS.gov/Forms](https://irs.gov/Forms) to get forms and publications, including Form SS-4.

Can Your Employee Legally Work in the United States?

It is unlawful to employ a person who can't legally work in the United States. When you hire a household employee to work for you on a regular basis, you and the employee must each complete part of the U.S. Citizenship and Immigration Services (USCIS) Form I-9, Employment Eligibility Verification. You must verify that the employee is either a U.S. citizen or a person who can legally work in the United States and you must keep Form I-9 for your records. You can get the form and the USCIS Handbook for Employers by going to the USCIS website at [USCIS.gov/I-9-Central](https://uscis.gov/I-9-Central). You may use E-Verify at [E-Verify.gov](https://e-verify.gov) to confirm the employment eligibility of newly hired employees.

Note. Form I-9 is available in Spanish. Only employers located in Puerto Rico may complete the Spanish version of Form I-9 instead of the English version. Go to [USCIS.gov/I-9](https://uscis.gov/I-9) to get the English and Spanish versions of Form I-9 and their separate instructions.

What About State Employment Taxes?

If you employed a household employee in 2025, you probably have to pay contributions to your state unemployment fund for 2025. To find out if you do, contact your state unemployment tax agency. For a list of state unemployment tax agencies, go to the U.S. Department of Labor's website at oui.doleta.gov/unemploy/agencies.asp. You should also find out if you need to pay or collect other state employment taxes or carry workers' compensation insurance.

Note. Household employers located in Puerto Rico, see section 14 of Pub. 15 or call 787-754-5353.

When and Where To File

Filing Schedule H

If you file Form 1040, 1040-SR, 1040-SS, 1040-NR, or 1041 for 2025, remember to attach Schedule H to it. You are encouraged to file electronically. For more information on electronic filing, see the instructions for your tax return. If you file a paper return, mail your return, by April 15, 2026, to the address shown in your tax return instructions.

Exceptions. If you get an extension of time to file your return, file your return with Schedule H by the extended due date. If you're a fiscal year filer, file your return and Schedule H by the due date of your fiscal year return, including extensions.

TIP If you're a calendar year taxpayer and have no household employees for 2025, you don't have to file Schedule H for 2025.

If you have household employees for 2025, but you're not required to file a 2025 tax return (for example, because your income is below the amount that requires you to file), you must file Schedule H by itself by April 15, 2026. Complete Schedule H and put it in an envelope with your check or money order. Don't send cash. See the list of [filing addresses](#), later. Mail your completed Schedule H and payment to the address listed for the place where you live. Make your check or money order payable to "United States Treasury" for the total household employment taxes due. Don't make a separate payment. You pay both income and employment taxes to the United States Treasury when you file Schedule H with your return. Most filers must pay by April 15, 2026. Enter your name, address, SSN, daytime phone number, and "2025 Schedule H" on your check or money order. Household employers that are tax exempt and don't have to file a tax return (for example, churches that pay a household worker to take care of a minister's home) may also file Schedule H by itself.

The IRS recommends paying electronically whenever possible. Go to [IRS.gov/Pay](https://irs.gov/Pay) to see all your payment options.

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Note. Taxpayers in Puerto Rico pay their income tax to the Department of the Treasury, Government of Puerto Rico.

Filing Form W-2 and Form W-3

You're encouraged to file your Forms W-2 and W-3 electronically. Go to the SSA's Employer W-2 Filing Instructions & Information website at [SSA.gov/employer](https://ssa.gov/employer) to learn about electronic filing. If filing electronically via the SSA's Form(s) W-2 Online service, the SSA generates Form W-3 automatically based on your Form(s) W-2.

By February 2, 2026, send Copy A of Forms W-2 with Form W-3 to the SSA and give Copies B, C, and 2 of Form W-2 to each employee. For paper forms, you will meet this requirement if the form is properly addressed, mailed, and postmarked no later than February 2, 2026. Go to [SSA.gov/employer](https://ssa.gov/employer) for details.



If you file Forms W-2 and W-3 electronically, don't mail the paper Forms W-2 and W-3 to the SSA.

Where to file paper Forms W-2 and W-3. File Copy A of Form(s) W-2 with Form W-3 at the following address.

Social Security Administration
Direct Operations Center
Wilkes-Barre, PA 18769-0001



If you use Certified Mail to file, change the ZIP code to "18769-0002." If you use an IRS-approved private delivery service (PDS), add "Attn: W-2 Process, 1150 E. Mountain Drive" to the address and change the ZIP code to "18702-7997." Go to [IRS.gov/PDS](https://irs.gov/PDS) for a list of IRS-approved PDSs.



Check with your state, city, or local tax department to find out if you must file Copy 1 of Form W-2.

Penalties. You may have to pay a penalty if you don't give Forms W-2 to your employees or file Copy A of the forms with the SSA by the due dates. You may also have to pay a penalty if you don't show your employee's SSN on Form W-2 or don't provide correct information on the form. See *Penalties* in the General Instructions for Forms W-2 and W-3 for more information.

Specific Instructions

How To Fill in Schedule H, Form W-2, and Form W-3

Completing Schedule H



If you were notified that your household employee received payments from a state disability plan, see [State Disability Payments](#), later.

Name of employer. Enter your name. If you are attaching Schedule H to Form 1040, 1040-SR, or 1040-SS, your name must match the name shown on your return. Only two Schedules H can be attached to Form

1040, 1040-SR, and 1040-SS, one Schedule H for each of the primary taxpayer and the secondary taxpayer.

If you are attaching Schedule H to Form 1040-NR, your name must match the name shown on your return. If you are attaching Schedule H to Form 1041, your name must match the name of the estate or trust shown on your return.

Social security number (SSN). Enter your SSN. Form 1041 filers, don't enter a number in this space. But be sure to enter your EIN in the space provided.

Employer identification number (EIN). An EIN is a nine-digit number assigned by the IRS. The digits are arranged as follows: 00-0000000. Enter your EIN in the space provided. If you don't have an EIN, see [Do You Have an Employer Identification Number \(EIN\)](#), earlier. If you applied for an EIN but haven't received it, enter "Applied For" and the date you applied. Don't use your SSN as an EIN.

Line A. Did you pay any one household employee cash wages of \$2,800 or more in 2025? To figure the total cash wages you paid in 2025 to each household employee, don't include amounts paid to any of the following individuals.

- Your spouse.
- Your child who was under age 21.
- Your parent. (See [Exception for parents](#) below.)
- Your employee who was under age 18 at any time during 2025. If the employee wasn't a student, see [Exception for employees under age 18](#) below.

Exception for parents. Include the cash wages you paid your parent for work in or around your home if both (1) and (2) below apply.

1. Your child (including an adopted child or stepchild) who lived with you was under age 18 or had a physical or mental condition that required the personal care of an adult for at least 4 continuous weeks during the calendar quarter in which services were performed. A calendar quarter is January through March, April through June, July through September, or October through December.

2. You were divorced and not remarried, a widow or widower, or married to and living with a person whose physical or mental condition prevented your spouse from caring for the child for at least 4 continuous weeks during the calendar quarter in which services were performed.

Exception for employees under age 18. Include the cash wages you paid to a person who was under age 18 and not a student if providing household services was the employee's principal occupation.

Cash wages. Cash wages include wages paid by check, money order, etc. Cash wages don't include the value of food, lodging, clothing, transit passes, or other noncash items you give a household employee. However, cash you give your employee in place of these items is included in cash wages.

Noncash wages paid to household employees aren't subject to social security taxes or Medicare taxes; however, they are subject to federal income tax unless a specific exclusion applies. Report the value of taxable noncash wages in box 1 of Form W-2 together with cash wages. Don't show noncash wages in box 3 or in box 5 of

Form W-2. See section 5 of Pub. 15 for more information on cash and noncash wages, and Pub. 15-B for more information on fringe benefits.

Note. Household employers located in Puerto Rico report the value of taxable noncash wages in box 7 of Form 499R-2/W-2PR together with cash wages. Don't show noncash wages in box 20 or in box 22 of Form 499R-2/W-2PR. See section 5 or section 9 of Pub. 15 for more information on cash and noncash wages.

Transportation (commuting) benefits. If you reimburse your employee for qualified parking, transportation in a commuter highway vehicle, or transit passes, you may be able to exclude the cash reimbursement amounts from counting as cash wages subject to social security and Medicare taxes. Qualified parking is parking at or near your home or at or near a location from which your employee commutes to your home. It doesn't include parking at or near your employee's home. For 2025, you can reimburse your employee up to \$325 per month for qualified parking and \$325 per month for combined commuter highway vehicle transportation and transit passes. See *Transportation (Commuting) Benefits* in Pub. 15-B for more information. Any cash reimbursement over these amounts is included as wages.

Part I. Social Security, Medicare, and Federal Income Taxes

Social security and Medicare taxes fund retirement, survivor, disability, and health benefits for workers and their families. You and your employees generally pay these taxes in equal amounts.

You're not required to withhold federal income tax from wages you pay a household employee. You should withhold federal income tax only if your household employee asks you to withhold it and you agree. The employee must give you a completed Form W-4.

For 2025, the rate of social security tax on taxable wages is 6.2% each for the employee and employer. Stop paying social security tax on and entering an employee's wages on line 1 when the employee's taxable wages reach \$176,100 for the year. However, continue to withhold income and Medicare taxes for the whole year on all wages paid in 2025, even when the social security wage base limit of \$176,100 has been reached.

The Medicare tax rate is 1.45% each for the employee and employer, unchanged from 2024. There is no wage base limit for Medicare tax.

If you didn't deduct the employee's share from the employee's wages, you must pay the employee's share of tax and your share of tax, a total of 12.4% for social security tax and 2.9% for Medicare tax. See [Completing Form W-2 and Form W-3](#), later, for more information.

Note. Employers located in Puerto Rico, see the Instructions for Form W-3 (PR).

In addition to withholding Medicare tax at 1.45%, you must withhold a 0.9% Additional Medicare Tax from wages you pay to an employee in excess of \$200,000 in a calendar year. You're required to begin withholding

Additional Medicare Tax in the pay period in which you pay wages in excess of \$200,000 to an employee and continue to withhold it each pay period until the end of the calendar year. Additional Medicare Tax is only imposed on the employee. There is no employer share of Additional Medicare Tax. All wages that are subject to Medicare tax are subject to Additional Medicare Tax withholding if paid in excess of the \$200,000 withholding threshold. For more information on Additional Medicare Tax, go to [IRS.gov/ADMTfacts](#).

\$2,800 test. If you pay a household employee \$2,800 or more in cash wages during 2025, you must report and pay social security and Medicare taxes on all the wages, including the first \$2,800 paid to that employee. The test applies to cash wages paid in 2025 regardless of when the wages were earned. See Pub. 926 for more information.

Line 1. Total cash wages subject to social security tax. Enter the total of cash wages (see [Cash wages](#), earlier) paid in 2025 to each household employee who meets the [\\$2,800 test](#), explained earlier.



If you paid any household employee cash wages of more than \$176,100 in 2025, include on line 1 only the first \$176,100 of that employee's cash wages.

Line 2. Social security tax. Multiply the amount on line 1 by 12.4% (0.124). Enter the result on line 2.

Line 3. Total cash wages subject to Medicare tax. Enter the total cash wages (see [Cash wages](#), earlier) paid in 2025 to each employee who meets the [\\$2,800 test](#), explained earlier. There is no limit on wages subject to Medicare tax.

Line 4. Medicare tax. Multiply the amount on line 3 by 2.9% (0.029). Enter the result on line 4.

Line 5. Total cash wages subject to Additional Medicare Tax withholding. Enter the total cash wages (see [Cash wages](#), earlier) paid to each employee in 2025 that exceeded \$200,000.

Line 6. Additional Medicare Tax withholding. Multiply the amount on line 5 by 0.9% (0.009). Enter the result on line 6.

Line 7. Federal income tax withheld. Enter any federal income tax you withheld from the wages you paid to your household employees in 2025. See Pub. 926 and Pub. 15-T for information on withholding federal income taxes.

Note. Household employers located in Puerto Rico, skip line 7.

Line 8. Total social security, Medicare, and federal income taxes. Add lines 2, 4, 6, and 7. Enter the result on line 8.

Line 9. Did you pay total cash wages of \$1,000 or more in any calendar quarter of 2024 or 2025 to all household employees? Review the cash wages you paid to all your household employees for each calendar quarter of 2024 and 2025.

If the total for any quarter in 2024 or 2025 is not \$1,000 or more, check "No," stop here, and include the amount

from line 8 on Schedule 2 (Form 1040), line 9. If you don't file Form 1040, complete Schedule H, Part IV, and follow the instructions under [When and Where To File](#), earlier.

If the total for any quarter in 2024 or 2025 is \$1,000 or more, check "Yes" and complete Schedule H, Part II.

Part II. Federal Unemployment (FUTA) Tax

Together with state unemployment tax systems, the FUTA tax provides funds for paying unemployment compensation to workers who have lost their jobs. Most employers pay both a federal and a state unemployment tax.

You need to pay federal unemployment tax under the FUTA, if you paid total cash wages of \$1,000 or more in any calendar quarter of 2024 or 2025 to household employees.

The FUTA tax applies to the first \$7,000 you pay to each employee during a calendar year after subtracting any payments exempt from FUTA tax. The FUTA tax rate is 6.0% for 2025. But see [Credit for contributions paid to state](#) next. Only employers pay FUTA tax. Don't collect or deduct FUTA tax from your employee's wages. You must pay it from your own funds.

Credit for contributions paid to state. You may be able to take a credit of up to 5.4% against the FUTA tax, resulting in a net FUTA tax rate of 0.6%. But to do so, you must pay all the required contributions for 2025 to your state unemployment fund by April 15, 2026. Fiscal year filers must pay all required contributions for 2025 by the due date of their federal income tax returns (not including extensions).

State unemployment taxes are sometimes called contributions. Contributions are payments that a state requires you, as an employer, to make to its unemployment fund for the payment of unemployment benefits. However, contributions don't include:

- Any payments deducted or deductible from your employees' pay;
- Penalties, interest, or special administrative taxes; or
- Voluntary contributions you paid to get a lower state experience rate.

If you paid contributions to any credit reduction state, see the instructions for [line 23](#), later.

Lines 10 through 12. Answer the questions on lines 10 through 12 to see if you should complete Section A or Section B of Part II.

Fiscal year filers. If you paid all state unemployment contributions for 2025 by the due date of your return (not including extensions), check the "Yes" box on line 11. Check the "No" box if you didn't pay all of your state contributions by the due date of your return.

Section A

Line 13. Name of the state where you paid unemployment contributions. Enter the two-letter abbreviation of the name of the state (or the District of Columbia, Puerto Rico, or the U.S. Virgin Islands) to which you paid unemployment contributions. For a list of states and their postal abbreviations, see [State Names and Postal Abbreviations](#), later.

Line 14. Contributions paid to your state unemployment fund. Enter the total of [contributions](#) (defined earlier) you paid to your state unemployment fund for 2025. If you didn't have to make contributions because your state gave you a 0% experience rate, enter "0% rate" on line 14.

Line 15. Total cash wages subject to FUTA tax. Enter the total of cash wages (see [Cash wages](#), earlier) you paid in 2025 to each household employee, including employees paid less than \$1,000. However, don't include cash wages paid in 2025 to any of the following individuals.

- Your spouse.
- Your child who was under age 21.
- Your parent.

If you paid any household employee more than \$7,000 in 2025, include on line 15 only the first \$7,000 of that employee's cash wages.

Line 16. FUTA tax. Multiply the wages on line 15 by 0.6% (0.006). Enter the result on line 16.

Section B



Complete lines 17 through 24 **only** if you checked a "No" box on line 10, 11, or 12.

Credit for 2025. The credit you can take for any state unemployment fund contributions for 2025 that you pay after April 15, 2026, is limited to 90% of the credit that would have been allowable if the contributions were paid on or before April 15, 2026.

Line 17. Complete all columns below that apply.

Complete all columns that apply. If you don't, you won't get a credit. If you need more space, attach a statement using the same format as line 17. Your state will provide the experience rate. If you don't know your rate, contact your state unemployment tax agency.

You must complete columns (a), (b), and (h), even if you weren't given an experience rate. If you were given an experience rate of 5.4% or higher, you must also complete columns (c) and (d). If you were given a rate of less than 5.4%, you must complete all columns.

If you were given a rate for only part of the year, or the rate changed during the year, you must complete a separate line for each rate period.

Column (b). Taxable wages. Enter the taxable wages on which you must pay taxes to the unemployment fund of the state shown in column (a). If your experience rate is 0%, enter the amount of wages you would have had to pay taxes on if that rate hadn't been granted.

Column (h). Contributions paid to state unemployment fund. Enter the total [contributions](#) (defined earlier) you paid to the state unemployment fund for 2025 by April 15, 2026. Fiscal year filers, enter the total contributions you paid to the state unemployment fund for 2025 by the due date of your return (not including extensions). If you're claiming excess credits as payments of state unemployment contributions, attach a copy of the letter from your state.

Line 18. Totals. Add the amounts in columns (g) and (h) separately and enter the totals in the spaces provided.

Line 19. Add columns (g) and (h) of line 18. Add the amounts shown in columns (g) and (h) of line 18. Enter the total on line 19.

Line 20. Total cash wages subject to FUTA tax. Enter the total cash wages subject to FUTA tax. See the [line 15](#) instructions, earlier, for details.

Line 21. Multiply line 20 by 6.0% (0.06). Multiply the wages on line 20 by 6.0% (0.06). Enter the result on line 21.

Line 22. Multiply line 20 by 5.4% (0.054). Multiply the wages on line 20 by 5.4% (0.054). Enter the result on line 22.

Line 23. Enter the smaller of line 19 or line 22. Enter the smaller of line 19 or line 22. However, if you paid state unemployment contributions late or you're in a credit reduction state, don't enter the smaller of line 19 or line 22, as discussed next. You paid state unemployment contributions late if you paid any state contributions after the due date for filing Form 1040, 1040-SR, or 1040-SS (not including extensions). You're in a credit reduction state if you're a household employer in a state which has an amount greater than zero in the "Reduction Rate" column of [Worksheet 2](#).



If you paid state unemployment contributions late, use [Worksheet 1](#) to figure the amount to enter on line 23. If you're in a credit reduction state, use [Worksheet 2](#) to figure the amount to enter on line 23. If you paid state contributions late and you're also in a credit reduction state, complete [Worksheet 1](#) before completing [Worksheet 2](#). If you didn't pay any state unemployment contributions late and you're not in a credit reduction state, you don't need to complete [Worksheet 1](#) or [Worksheet 2](#).

Part III. Total Household Employment Taxes

Line 25. Enter the amount from line 8. Enter the amount from line 8. If there is no entry on line 8, enter -0-.

Line 26. Add line 16 (or line 24) and line 25. Add the amounts on lines 16 and 25. If you were required to complete Section B of Part II, add the amounts on lines 24 and 25 and enter the total on line 26.

Line 27. Are you required to file Form 1040? Follow the instructions in the following chart.

IF you file Form. . .	THEN enter the amount from Schedule H, line 8 or, if applicable, line 26, on...
1040 or 1040-SR	Schedule 2 (Form 1040), line 9.
1040-NR	Schedule 2 (Form 1040), line 9.
1040-SS	Form 1040-SS, Part I, line 4.
1041	Form 1041, Schedule G, Part I, line 7.

If you don't file any of the above forms, complete Schedule H, Part IV, and follow the instructions under [When and Where To File](#), earlier.

Paid Preparers

Paid Preparer Use Only. You must complete this part if you were paid to prepare Schedule H, aren't an employee of the filing entity, and aren't attaching Schedule H to Form 1040, 1040-SR, 1040-SS, 1040-NR, or 1041. You **must** sign in the space provided and give the filer a copy of Schedule H in addition to the copy to be filed with the IRS.

Completing Form W-2 and Form W-3

If you file one or more Forms W-2, you must also file Form W-3. We encourage you to file electronically. If filing electronically via the SSA's Form W-2 Online service, the SSA will generate Form W-3 data from the electronic submission.

You must report both cash and noncash wages in box 1 (Form 499R-2/W-2PR, box 7), as well as tips and other compensation. For detailed information on preparing these forms, see the General Instructions for Forms W-2 and W-3.

Employee's portion of taxes paid by employer. You're responsible for payment of your employee's share of the taxes as well as your own. You can either withhold your employee's share from the employee's wages or pay it from your own funds. If you paid all of your employee's share of social security and Medicare taxes, without deducting the amounts from the employee's pay, the employee's wages are increased by the amount of that tax for income tax withholding purposes. However, the tax you paid isn't counted as social security and Medicare wages and isn't included in boxes 3 and 5 of Form W-2 (boxes 20 and 22 of Form 499R-2/W-2PR). Also, don't count the tax as wages for FUTA tax purposes. Follow steps 1 through 3 below.

1. Enter the amounts you paid on your employee's behalf in boxes 4 and 6 (boxes 21 and 23 of Form 499R-2/W-2PR). Don't include your share of these taxes.

2. Add the amounts in boxes 3, 4, and 6 (boxes 20, 21, and 23 of Form 499R-2/W-2PR). However, if box 5 (box 22 of Form 499R-2/W-2PR) is greater than box 3 (box 20 of Form 499R-2/W-2PR), then add the amounts in boxes 4, 5, and 6 (boxes 21, 22, and 23 of Form 499R-2/W-2PR).

3. Include the total in box 1 (box 7 of Form 499R-2/W-2PR). Also include in box 1 any taxable noncash wages which aren't reported in boxes 3 and 5 (boxes 20 and 22 of Form 499R-2/W-2PR).



On Form W-3, put an "X" in the "Hshld. emp." box located in box b, Kind of Payer.

For information on filing Forms W-2 and W-3 electronically, go to the SSA's Employer W-2 Filing Instructions & Information website at [SSA.gov/employer](https://ssa.gov/employer).

Worksheet 1. Credit for Late Contributions

1.	Enter the amount from Schedule H, line 22	
2.	Enter the amount from Schedule H, line 19	
3.	Subtract line 2 from line 1. If zero or less, enter -0-	
4.	Enter total contributions paid to the state(s) after the Form 1040 or 1040-SR due date	
5.	Enter the smaller of line 3 or line 4	
6.	Multiply line 5 by 90% (0.90)	
7.	Add lines 2 and 6	
8.	Enter the smaller of the amount on line 1 or line 7	
9.	Are you in a credit reduction state?	
	☐ Yes. Enter the amount from line 8 above on Worksheet 2 , line 1. Complete Worksheet 2 to figure the amount to enter on Schedule H, line 23.	
	☐ No. Enter the amount from line 8 on Schedule H, line 23.	

State Names and Postal Abbreviations

State	Postal Abbreviation	State	Postal Abbreviation	State	Postal Abbreviation	State	Postal Abbreviation
Alabama	AL	Indiana	IN	Nevada	NV	Tennessee	TN
Alaska	AK	Iowa	IA	New Hampshire	NH	Texas	TX
Arizona	AZ	Kansas	KS	New Jersey	NJ	Utah	UT
Arkansas	AR	Kentucky	KY	New Mexico	NM	Vermont	VT
California	CA	Louisiana	LA	New York	NY	Virginia	VA
Colorado	CO	Maine	ME	North Carolina	NC	Washington	WA
Connecticut	CT	Maryland	MD	North Dakota	ND	West Virginia	WV
Delaware	DE	Massachusetts	MA	Ohio	OH	Wisconsin	WI
District of Columbia	DC	Michigan	MI	Oklahoma	OK	Wyoming	WY
Florida	FL	Minnesota	MN	Oregon	OR	Puerto Rico	PR
Georgia	GA	Mississippi	MS	Pennsylvania	PA	U.S. Virgin Islands	VI
Hawaii	HI	Missouri	MO	Rhode Island	RI		
Idaho	ID	Montana	MT	South Carolina	SC		
Illinois	IL	Nebraska	NE	South Dakota	SD		

You Should Also Know

Estimated Tax Penalty

You may need to increase the federal income tax withheld from your pay, pension, annuity, etc., or make estimated tax payments to avoid an estimated tax penalty based on your household employment taxes shown on Schedule H, line 26. You may increase your federal income tax withheld by giving your employer a new Form W-4, or by giving the payer of your pension a new Form W-4P. Make estimated tax payments by filing Form 1040-ES, Estimated Tax for Individuals. For more information, see Pub. 505.

Note. Household employers located in Puerto Rico make estimated tax payments by filing Form 1040-ES (sp).



Estimated tax payments must be made as the tax liability is incurred by April 15, 2025; June 16, 2025; September 15, 2025; and January 15, 2026. If you file your 2025 Form 1040 or 1040-SR by January 31, 2026, and pay the rest of the tax you owe, you don't need to make the payment due on January 15, 2026. For more information, see Pub. 505.

Exception. You won't be penalized for failure to make estimated tax payments if both (1) and (2) below apply for the year.

1. You won't have federal income tax withheld from wages, pensions, or any other payments you receive.
2. Your income taxes, excluding your household employment taxes, wouldn't be enough to require payment of estimated taxes.

Worksheet 2. Household Employers in a Credit Reduction State

Keep for Your Records



1. Enter the smaller of the amount from Schedule H, line 19 or line 22. (However, if you completed Worksheet 1 , enter the amount from line 8 of that Worksheet 1.)								1.	
2. Enter the total taxable FUTA wages from Schedule H, line 20								2.	
3. Place an "X" in the box of EVERY state in which you had to pay state unemployment tax this year. If all of the states you check have a credit reduction rate of zero, you don't have to complete this Worksheet 2. For each state with a credit reduction rate greater than zero, enter the FUTA taxable wages, multiply by the reduction rate, and then enter the credit reduction amount. Don't enter your state unemployment wages in the <i>FUTA Taxable Wages</i> box. Also don't include in the <i>FUTA Taxable Wages</i> box wages that were excluded from state unemployment tax. If any states don't apply to you, leave them blank.									
Postal Abbreviation	FUTA Taxable Wages	Reduction Rate	Credit Reduction	Postal Abbreviation	FUTA Taxable Wages	Reduction Rate	Credit Reduction		
	AK	x 0.000			NC	x 0.000			
	AL	x 0.000			ND	x 0.000			
	AR	x 0.000			NE	x 0.000			
	AZ	x 0.000			NH	x 0.000			
	CA	x 0.049			NJ	x 0.000			
	CO	x 0.000			NM	x 0.000			
	CT	x 0.020			NV	x 0.000			
	DC	x 0.000			NY	x 0.023			
	DE	x 0.000			OH	x 0.000			
	FL	x 0.000			OK	x 0.000			
	GA	x 0.000			OR	x 0.000			
	HI	x 0.000			PA	x 0.000			
	IA	x 0.000			RI	x 0.000			
	ID	x 0.000			SC	x 0.000			
	IL	x 0.000			SD	x 0.000			
	IN	x 0.000			TN	x 0.000			
	KS	x 0.000			TX	x 0.000			
	KY	x 0.000			UT	x 0.000			
	LA	x 0.000			VA	x 0.000			
	MA	x 0.000			VT	x 0.000			
	MD	x 0.000			WA	x 0.000			
	ME	x 0.000			WI	x 0.000			
	MI	x 0.000			WV	x 0.000			
	MN	x 0.000			WY	x 0.000			
	MO	x 0.000			PR	x 0.000			
	MS	x 0.000			VI	x 0.045			
	MT	x 0.000							
4. Total Credit Reduction. Add all amounts shown in the <i>Credit Reduction</i> boxes. Enter the total here								4.	
5. Subtract line 4 of this Worksheet 2 from line 1 of this Worksheet 2 and enter the result here and on Schedule H, line 23. If zero or less, enter -0-								5.	

What Records To Keep

You must keep copies of Schedule H and related Forms W-2, W-3, and W-4 for at least 4 years after the due date for filing Schedule H or the date the taxes were paid, whichever is later. You must also keep records to support the information you enter on the forms you file. Copies must be submitted to the IRS if requested. If you must file Form W-2, you will need to keep a record of each employee's name, address, and SSN. Each payday, you should record and keep the dates and amounts of:

- Cash and noncash wage payments,
- Any employee social security tax you withhold or agree to pay for your employee,
- Any employee Medicare tax you withhold or agree to pay for your employee,
- Any federal income tax you withhold, and
- Any state employment taxes you withhold.

What Is the Earned Income Credit (EIC)?

The EIC is a refundable tax credit for certain workers.

Which employees must I notify about the EIC? You must notify your household employee about the EIC if you agreed to withhold federal income tax from the employee's wages but didn't do so because the income tax withholding tables showed that no tax should be withheld.



You're encouraged to notify each employee whose wages for 2025 were less than \$61,555 (\$68,675 if married filing jointly) that the employee may be eligible for the EIC for 2025.

How and when must I notify my employees? You must give the employee one of the following items.

- The official IRS Form W-2, which has the required information about the EIC on the back of Copy B.
- A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on Copy B of the official IRS Form W-2.
- Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).
- Your written statement with the same wording as Notice 797.

If the notification isn't given on Form W-2 in a timely manner, you must hand the notice directly to the employee or send it by First-Class Mail to the employee's last known address.

If you're not required to give the employee a Form W-2, you must provide the notification by February 9, 2026.

How do my employees claim the EIC? Eligible employees claim the EIC on their 2025 tax returns.

Rules for Business Employers

Don't use Schedule H if you chose to report employment taxes for your household employees along with your other employees on Form 941 or 941 (sp), Employer's

QUARTERLY Federal Tax Return; Form 943, Employer's Annual Federal Tax Return for Agricultural Employees; or Form 944, Employer's ANNUAL Federal Tax Return. If you report this way, be sure to include your household employees' wages on your Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return.

State Disability Payments

Certain state disability plan payments to household employees are treated as wages subject to social security and Medicare taxes. If your employee received payments from a plan that withheld the employee's share of social security and Medicare taxes, include the payments on lines 1, 3, and, if applicable, 5 of Schedule H and complete the rest of Part I through line 7. Add lines 2, 4, 6, and 7. (Household employers located in Puerto Rico, add lines 2, 4, and 6.) From that total, subtract the amount of these taxes withheld by the state. Enter the result on line 8. Also, enter "disability" and the amount subtracted on the dotted line next to line 8. See the notice issued by the state for more details.

How To Correct Schedule H

If you discover an error on a Schedule H that you previously filed with Form 1040, 1040-SR, or 1040-NR, file Form 1040-X, Amended U.S. Individual Income Tax Return, and attach a corrected Schedule H. If you discover an error on a Schedule H that you previously filed with Form 1040-SS, file a "Corrected" Form 1040-SS and attach a corrected Schedule H. If you discover an error on a Schedule H that you previously filed with Form 1041, file an "Amended" Form 1041 and attach a corrected Schedule H.

If you discover an error on a Schedule H that you filed as a stand-alone return, file another stand-alone Schedule H with the corrected information. In the top margin of your corrected Schedule H, write (in bold letters) "**CORRECTED**" followed by the date you discovered the error.

Note. Household employers located in Puerto Rico that discover an error on a Schedule H previously filed with Form 1040-PR, file a "Corrected" Form 1040-PR and attach a corrected Schedule H-PR.

If you owe tax, pay the tax in full with your Form 1040-X, "Corrected" Form 1040-SS or 1040-PR, "Amended" Form 1041, or stand-alone Schedule H. If you overpaid tax on a previously filed Schedule H, then, depending on whether you adjust or claim a refund, you must certify that you repaid or reimbursed the employee's share of social security and Medicare taxes, or that you have obtained consents from your employees to file a claim for refund for the employee tax. See Pub. 926 for complete instructions.

How To Get Forms and Publications

To get the IRS forms and publications mentioned in these instructions (including Notice 797), go to [IRS.gov/Forms](https://www.irs.gov/Forms).

Do You Have To File Form 1040, 1040-SR, 1040-SS, 1040-NR, or 1041?

Yes — Attach Schedule H to that form and mail to the address in your tax return instructions.

No — Mail your completed Schedule H and payment to the address shown below that applies to you. No street address is needed. See [When and Where To File](#), earlier, for the information to enter on your payment.

IF you live in...	THEN use this address...
Alabama, Arizona, Arkansas, Florida, Georgia, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, Texas	Department of the Treasury Internal Revenue Service Austin, TX 73301-0002
Connecticut, Delaware, District of Columbia, Illinois, Indiana, Iowa, Kentucky, Maine, Maryland, Massachusetts, Minnesota, Missouri, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, Wisconsin	Department of the Treasury Internal Revenue Service Kansas City, MO 64999-0002
Alaska, California, Colorado, Hawaii, Idaho, Kansas, Michigan, Montana, Nebraska, Nevada, Ohio, Oregon, North Dakota, South Dakota, Utah, Washington, Wyoming	Department of the Treasury Internal Revenue Service Ogden, UT 84201-0002
A foreign country, a U.S. territory,* or use an APO or FPO address, or file Form 2555 or 4563, or are a dual-status alien	Department of the Treasury Internal Revenue Service Austin, TX 73301-0215
* If you live in American Samoa, Puerto Rico, Guam, the U.S. Virgin Islands, or the Commonwealth of the Northern Mariana Islands, see Pub. 570.	

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You're required to give us the information. We need it to ensure that you're complying with these laws and to allow us to figure and collect the right amount of tax. If you don't provide the information we ask for, or provide false or fraudulent information, you may be subject to penalties.

You're not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law.

Subtitle C, Employment Taxes, of the Internal Revenue Code imposes employment taxes on wages and provides for income tax withholding. This form is used to determine the amount of the taxes that you owe. Section 6011 requires you to provide the requested information if the tax is applicable to you. Section 6109 requires you to provide your identification number.

Generally, tax returns and return information are confidential, as required by section 6103. However, section 6103 allows or requires the IRS to disclose or give the information shown on your tax return to others as described in the Code. For example, we may disclose your tax information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and territories to administer their tax laws. We may also disclose this

information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is approved under OMB control number 1545-0074 and is included in the estimates shown in the instructions for their individual income tax return.

The estimated burden for all other taxpayers who file this form is:

Recordkeeping	1 hr., 38 min.
Learning about the law or the form.	39 min.
Preparing the form	1 hr., 3 min.
Copying, assembling, and sending the form to the IRS.	34 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can send us comments from [IRS.gov/FormComments](https://www.irs.gov/FormComments). Or you can send your comments to Internal Revenue Service, Tax Forms and Publications Division, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Don't send Schedule H (Form 1040) to this address. Instead, see [When and Where To File](#), earlier.