

Employment Information to Know When Hiring Child Care Providers in Your Home

You've found a great child care provider for your family! Now what? Here are some key points to consider as you begin this working relationship.

In-home child care providers are an important option for many families. Schedules and support can be responsive and flexible, and you're able to build an important relationship alongside your child in your home. After you have taken the time to conduct a thorough search to find the right person for your family, then it's time to bring them on board. Remember, license-exempt child care [has a few definitions](#), and even though they are often employed in homes, directly with families, they are still considered employees in the eyes of the state and federal governments. Consequently, there are some critical steps to take as you set up your new hire.

In 2013, the state of California enacted the Domestic Worker Bill of Rights. This law extends overtime pay rights to certain household employees that were not previously entitled to overtime pay. For more on this law, visit the California Department of Industrial Relations' [FAQ page](#). For more on wages and taxes considerations for license-exempt child care employees, see "Wage and Tax Considerations for Hiring Child Care Providers in Your Home."

Background Checks

You've selected your new nanny or babysitter carefully, likely interviewing and checking references, for example. In addition, conducting a background check provides additional important information on your new hire. In California, parents and families can utilize the [TrustLine](#) Registry background check. TrustLine was created by the California Legislature to give parents an important tool to use when selecting a caregiver for their children. It is the only authorized screening program of in-home and license-exempt caregivers in the state with access to fingerprint records at the California Department of Justice (DOJ) and the FBI and access to California's Child Abuse Central Index.

All providers listed with TrustLine have submitted their fingerprints to the California Department of Justice and have no disqualifying criminal convictions, or child abuse reports in California. Nannies and babysitters placed through a nanny agency are required to be on the registry or have a current application submitted to TrustLine. For more information about TrustLine go to www.trustline.org or call 1-800-822-8490

Setting Up a Contract

As it would in any other employer-employee relationship, a contract with your hired in-home caregiver can provide the framework for a clear agreement up front, helping you to potentially avoid any misunderstandings or missteps down the road. A contract should outline mutual expectations, and once signed by both parties, it can serve as a reference or reminder moving forward. A contract between your family and your hired in-home

caregiver can be customized to meet the needs of your situation. Here are some things to consider including:

- Job duties and related expectations, particularly for desired tasks alongside child care, such as housework, cooking, or pet duties
- Hours (set schedule, if applicable) and pay including hourly rate, gross salary, and overtime rates
- How and how often provider will be paid
- Required tax withholdings
- Any bonuses or pay raises, and whether they are automatic, timed, or an explanation of what they are dependent on (specific performance criteria, for example)
- Agreed time off, such as PTO, sick days, and holidays, and also an outline of what happens if sick days have already been used, or when there is an emergency
- Benefits including those required by law and voluntary benefits like a contribution to a retirement plan
- Transportation details, like what vehicle is used, tracking gas/mileage, and how that will be reimbursed
- Performance reviews – when they will occur and what will be covered
- Any set grounds for termination, plus spelling out any required notice or probation process; and
- Other general rules or guidelines for the household or the employee, for example, dietary restrictions for the children, vaccination requirements, CPR caregiver certification, regular pick-ups and drop offs of the children, etc.

There are many sample in-home child care provider contracts available on the web ([here, for example](#)). As long as you read the contents carefully, and edit it to fit your family's needs, using a template can be very helpful. As you finalize your contract, look for any vague terms or directions, like "light housework," and opt for specific, clear parameters instead. This will ensure everyone is on the same page. We also recommend going over the document together with your caregiver, getting signatures that acknowledge review and agreement, and keeping a copy in your files as a record.

Setting Expectations

When employers outline clear expectations for their employees, it lays the groundwork for a positive relationship, productive communication, and helps equip them to succeed. If expectations are not set clearly at the outset, you run the risk of miscommunication and low employee engagement. Discussing all aspects of the job with your hired in-home caregiver avoids confusion and aligns your expectations with theirs.

Setting expectations provides an opportunity early on to ensure the provider is aware of your rules and parenting style, so they can implement them immediately to avoid confusing your children. Use specific language and examples when discussing duties and house rules; general statements like “occasional transportation” and “light housework” can be different things to different people. Instead, clarity like “wipe counter tops after cooking” and “drive kids to practice on Wednesdays” ensure everyone is on the same page and can avoid future disagreement.

In addition, outline what is important to you regarding the care of your children, such as maintaining a specific routine (nap or snack times, for example), planning activities, or taking kids out of the house. You should also spell out any house rules your children must follow or share any specific procedure or routine your child has for going to bed or taking a nap. Provide any helpful information around likes and dislikes, like dietary allergies, restrictions, and preferences. It can be helpful to have a list of foods, meals, and snacks that your child particularly enjoys and the types of meals you want your caregiver to be making for them. Similarly, share activities your children love, both inside and outside the house. If outings are acceptable, be clear about what is allowed and what the weekly budget is for the costs.

Also, it's important to clarify the types of behaviors by your child that are acceptable and those that are unacceptable and spell out how you would like the caregiver to respond when behaviors are unacceptable. Give examples of behavior, such as refusing to pick up toys, refusing to eat dinner, hitting or biting, and how you would like the caregiver to respond. It's also important for the caregiver to know the things you do to promote positive behaviors.

You will also want agreement on how often your nanny or babysitter should contact you during the day. For example, mid-day every day, or only in cases of emergency or need (be sure to outline what that means). Finally, set the expectation for regular check-ins with your provider, and share how feedback will be delivered and how often their performance will be reviewed or evaluated.

What benefits should we offer?

Benefits are an important consideration when hiring an in-home caregiver. In California, there are a few required benefits, including some that vary based on locality. In addition, there are many optional benefits you can offer to your employee. For more detail on overall compensation and benefits, see “Wage and Tax Considerations for Hiring Child Care Providers in Your Home.”

Required Benefits in the State of California

The state of California requires household employers to provide several benefits to their license-exempt child care providers. If your family's nanny or babysitter is asked to drive their own vehicle, you must provide a mileage reimbursement of 65.5 cents per mile (2023 rate). Similarly, if they use their cell phone on the job, you should offer a reimbursement. Regulations do not specify a specific amount required, merely that the

employer reimburse a “reasonable percentage,” even if the employee’s monthly bill does not increase from use at work.

California also has a Paid Sick Leave (PSL) law, which requires that you, as a household employer, provide up to 48 hours of paid sick leave per year, with one hour accrued for every 30 hours worked. You can limit usage of sick time to 24 hours per year. Some localities throughout the state have their own rules regarding sick time, too. In Los Angeles, for example, employers can offer no less than 48 hours of sick time upfront or through an accrual system. If sick time is accrued, you must allow your employee to carry it over from one year to the next, but accrual can be capped at a minimum of 72 hours. You also can cap the use of sick time at 48 hours per year. Employers are required to comply with both state and local laws and have to provide whichever benefit is most generous to their employees. You are not required to offer paid vacation time to your hired in-home caregiver, but if you do offer it, it’s important to know that the state of California treats earned vacation time as wages that must be paid out if it is unused when employment is terminated.

Families often also wonder how to structure workers’ compensation insurance for their in-home child care employee. In California, anyone who employs one or more full-time or part-time employees must have workers’ compensation insurance. In most cases, you can add workers’ compensation insurance to your homeowner’s insurance policy (or possibly renter’s insurance if you don’t own a home). Check with your current insurance provider to see if you have the option of adding workers’ comp to your homeowner’s policy. If not, you’ll have to purchase coverage through a workers’ compensation insurance company.

Other Optional Benefits

Besides those benefits required for household employees by the state of California, there are other optional benefits you can consider offering. “Perks” like these help show your employee that you value and respect them, their hard work, and their care of your family. Moreover, offering them as an employer makes you more attractive in the current competitive market.

Two significant benefits that employees appreciate are support with health insurance and retirement. Both are outlined in more details in “Wage and Tax Considerations for Hiring Child Care Providers in Your Home,” but it’s important to know that in both cases, you as the employer have several options that range in total cost. It’s possible that there’s an option that is low cost on your end (potentially even provides a cost saving overall!), is easy to implement, and will go a long way in supporting your child care provider.

In terms of other benefits that will further distinguish you from other families hiring caregivers, consider options outside the box, like paid holidays, birthdays, offering one Friday off a month, an education or professional development reimbursement, even adding them to your gym membership.

It's also very common for families to budget for an annual bonus for their nanny or babysitter. Typically, this equals one- or two-weeks salary, and it is usually given at the end of the year, around the holidays.

Fair compensation

Child care rates, particularly for hired in-home providers, depend greatly on the cost of living in the area, and the demand for care. When deciding how much to pay your hired caregiver, the first thing to consider is minimum wage in your area. In California, the [minimum wage state-wide](#) is \$15.50 per hour, but many cities and counties have set minimum wage rates that are higher than the state. In San Francisco, for example, the minimum wage is \$18.07 an hour and in Los Angeles, the minimum wage is \$16.78 an hour. UC Berkeley [maintains a list of current minimum wages](#) across the state by city and county that you can refer to in order to make sure you are meeting the minimum wage laws for your area.

Minimum wage is important, but it's not the only factor to consider when determining how much to pay your hired caregiver since it may not actually be a living wage – a wage that is sufficient for maintaining a normal standard of living in your area. MIT has an [online calculator](#) that allows you to see what the living wage is for your area. The difference can be significant. For example, in Sacramento, the minimum wage is \$15.50 an hour, but the living wage is \$19.06 without children.

You also should consider the typical pay rates for license exempt child care providers in your area, which you can find online at sites like Indeed and SitterCity. Even if you pay a living wage, it needs to be competitive with other jobs in your community to attract the nanny you want.

Other factors to consider when determining how much to pay your hired in-home caregiver:

- Years of experience;
- Relevant education or degrees;
- Licenses and certifications;
- The number of children in their care, and their ages; and
- Additional responsibilities or household tasks they will be regularly asked to do.

California law also requires that household employees, including child care providers be paid overtime. According to the Domestic Worker Bill of Rights, they are entitled to overtime at 1.5 times the regular rate of pay for any hours worked over nine hours per day or over 45 hours per week, unless [they are excluded employees or the employer is excluded](#) under the law.

Wages for your family's child care provider should increase over time to keep up with inflation and the rising costs of living. It may be helpful to think about how you will structure pay raises up front, laying that information out in the initial contract. That way your caregiver knows what to expect, and you can point to that guidance if the topic comes up in the interim.

Human Resource and Management Considerations

The caregiver you hire for your family will hopefully grow to be an important member of your household, one that you are able to build a long relationship with over time. However, since you are essentially entering into an employer/employee relationship with this person, understanding some essential management guidance and human resource specificities will help mitigate your risks later. First and foremost, build a relationship with your child care employee right from the start that will serve as a foundation for ongoing trust, honesty, and open communication. Keep in mind that your efforts in setting expectations early and formalizing information in a contract will go a long way in avoiding sticky issues later.

The Importance of Communication

Every parent or guardian, no matter what child care situation they have for their children, will find that no one will care for them exactly in the way and manner that they would. Consequently, it's likely that your methods, and those of your nanny or babysitter, will not entirely overlap. Missteps or mistakes are natural, and usually not an intentional disregard for the boundaries and expectations you've set.

It's a good idea to deal with any issues as soon as they arise, to prevent them from continuing and/or building into a larger conflict later. When you approach these conversations, focus on changing and adjusting the situation, rather than the person. This may sound like, "The children would benefit from more out of the house activities" rather than "You're not planning enough activities."

Regular, open communication between the parents or guardians and the in-home provider is critical to presenting a "united front" for caregiving for the children. Remember that any hardships or issues present in the family or household that affects the kids will also affect your nanny or babysitter. Plan to make them aware of anything relevant they should know, such as a death in the family, divorce, or a change in living situations. Similarly, any upcoming schedule changes should be communicated as soon as you're aware of them, such as a family vacation or a child starting school. A good rule of thumb is to let your family's provider know 30 days in advance if possible.

Dealing With Conflict

Again, conflict is inevitable, and you can be sure that you will have to have difficult conversations with your child's caregiver. Navigate conflict more smoothly by keeping your relationships at the center, utilizing simple best practices like listening with respect and focusing on solutions. It's also important to make time and space to deal with difficult issues. Set aside time away from the children for you both to focus on the

discussion. Hear all perspectives involved to understand various sides of an issue, including the caregiver's and the children's. If needed, refer to the contract to clarify and reiterate the rules and expectations you established early. Then, clarify with your provider and/or your children your understanding of the situation and what you would like to see done in the future to learn, grow, and move on from happened. The goal is to come to an understanding about what you'd like to see happen in the future. Be clear about acceptable ways of handling similar disagreements and/or difficult situations in the future.

Overall, remember that the parent/caregiver relationship is complex and emotional – especially over the long term! It will be full of ups and downs, just like any other relationship. Dealing with tension and disagreement is difficult for anyone in a relationship, but dealing with them in an organized and thoughtful way will increase the likelihood of a successful resolution.

Discipline and Termination

Of course, there are some situations where a resolution is not possible, even after the best efforts have been made to move forward. In those cases where discipline or termination of the caregiver is necessary, you will need to follow employment best practices.

First, identify why your hired child care provider isn't working out. Are there minor things you can address and resolve? Or, have your family's needs or expectations changed? It's possible that clear communication or an updated contract could address the issue. In any case, document your conversations and any performance reviews. Be clear about the specific issue that needs addressing, what exactly should be done to rectify it, the timeframe in which the adjustment/resolution should take place, and the consequences that will result if no action is taken. Note what was discussed, plus any agreed upon next steps, and have both parties date and sign.

California is an "at-will" state, meaning an employment relationship may be terminated at any time, by either party, for any reason. However, over the years, exceptions made by legislation or regulatory changes have increased "wrongful termination" lawsuits, so any decision about termination should be carefully considered, documented, and handled.

This follows human resource principles of employee discipline called "progressive discipline." The method uses graduated steps for dealing with problems related to an employee's conduct or performance that do not meet clearly defined standards and expectations. The ultimate objective of progressive discipline is to help employees correct and resolve conduct and performance issues in the earliest stages.

Sample steps of progressive discipline may look like:

- 1) **Communication and advisement**, for when a first infraction is relatively minor. These conversations should explore solutions needed or spell out the adjustments you would want to see. This is a helpful step to be used preemptively before an issue becomes too serious.
- 2) A **verbal warning** is an appropriate next step or useful when a more severe issue arises. This step should be documented, including what corrections look like, how quickly they should occur, and when a reevaluation will take place.
- 3) Likewise, a **written warning** provides an opportunity to elevate issues. This document should clearly state the infraction and the consequences for a repeat offense.
- 4) Finally, **explore your next steps** given what is outlined in your contract, including termination.

Even in the best of circumstances, a conversation about termination will be difficult. Once you have made (and documented) your decision, plan ahead to avoid gaps in child care. You will want to schedule a short conversation with the child care employee away from the children, ideally at the end of a business day. You will want to be firm in your decision, but also compassionate. In California, the final paycheck must be given to the employee at the time of termination.

The child care provider may be eligible for unemployment benefits, if they have been let go due to no fault of their own (your kids are too old for a nanny or sitter, for example), and if you have been paying the proper taxes. However, if you're firing your caregiver due to performance, they will not be eligible for unemployment. In that case, if you are contacted by the state agency letting you know they applied for those benefits, provide truthful details about the termination.

You will also want to make time to talk with your children, as an abrupt change may be startling or jarring. Depending on their age and the situation, you can explain the reasoning to an appropriate extent, but understand they may still be upset. In addition, you will want to inform other parties about the change in your family's care, as needed. For example, your child's school or other out-of-school regular activities, where an instructor or coach will need to know about the change in pick-up or drop-off routine.

It is worth noting that there may be some extreme or particularly egregious cases where immediate termination is needed. Where the child's safety and wellbeing is *not* involved, such as suspicions about theft, lying, or breach of trust, you will want to have as much proof or evidence as possible to protect yourself from accusations later of wrongful termination. However, any sign of neglect, suspicion of abuse, concerns about safety, or use of alcohol or drugs while your child is in their care could all be reasons for immediate action. As with any employer/employee conflict, you should seek legal advice or guidance if your situation demands it, or you need an outside expert.

Final Thoughts

In-home, license-exempt child care can be a great option for many families. Building a relationship with your caregiver that includes open communication, builds trust with your caregiver and helps cultivate a partnership that supports the positive growth and development of your children is important. Once you hire this provider, your home becomes their workplace, and you want to do everything you can to create a relationship that starts off strong and thrives over time.

This informative resource was created for the California Child Care Resource & Referral Network by Civitas Strategies.

About the California Child Care Resource & Referral Network

The [California Child Care Resource & Referral Network](#) (Network) is a membership organization of the state-funded child care resource and referral programs in California. It addresses the needs of parents and child-care providers throughout California. The Network works with the child care resource and referral agencies in all counties in California to inform families about quality child care, to assist child care providers to serve their communities, and to encourage positive policy changes on the local, state, and federal levels. The [TrustLine Registry](#) is one of the programs administered by the Network in partnership and under contract with the California Department of Social Services (CDSS).

About Civitas Strategies

Civitas Strategies is a national management consultancy that has helped mission-driven organizations increase their impact for over 13 years. Founded in 2009 with a vision that no child grow up in poverty, Civitas Strategies' work has impacted over one million children and families collectively served by its clients. The firm's mission is to provide high-value support to help organizations become more efficient, effective, and sustainable. Today, Civitas Strategies specializes in providing training and technical assistance for the child care industry and has conducted more direct coaching and technical assistance for providers than any other organization in the US. To learn more about Civitas Strategies' services and work, visit www.civstrat.com.

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