

Ten Tips: How to Fire the Nanny

Nanny jobs are not forever. The reasons for letting the nanny go vary. The children grow up and your beloved family nanny is no longer needed. Perhaps the nanny has horrible work habits - always late or a frequent 'no show.' Your family and the nanny simply may not 'click.' The nanny who was a wonderful nurturer of your infant does not have the energy to deal with your demanding toddler. Whatever the reason, firing a nanny can be an uncomfortable experience for both family and nanny.

Below are some tips and best practices when letting the nanny go.

1. Be compassionate

The golden rule is in full force here. So long as the nanny is not being fired for willful disregard for the work agreement (absenteeism, failure to follow household rules), consider that this news is going to come as a blow to the nanny. It is best to break the news at the end of a work day and away from the children.

2. Don't draw out the conversation

Short and simple are the best way to deliver the news. Nanny may react emotionally - tears, harsh words, or stunned shock. Don't let yourself become engaged. Use "I" statements ("I am convinced we cannot make this work.") instead of "You" statements ("You caused this to happen because you never [fill in the blank].") If the parting is amicable, assure her of the actions you are willing to take - provide a reference, pay severance, post a Nanny Available notice at your workplace, or the like. If unpleasant, don't rehash the offenses.

3. Notice

If you have a [written work agreement](#), you will most likely have a notice provision already agreed to. Adhere to it. If you require x weeks of notice from the nanny, be sure you return the courtesy, or provide pay in lieu of the notice.

Sometimes the nanny is being fired for gross negligence or willful disregard for the terms/conditions of employment. In these cases, you have to use your best judgment (try not to be overly emotional) and AT A MINIMUM provide pay at the time of dismissal for all work performed to date. NEVER fail to pay the nanny, no matter how horrible, for the work performed. You could open your family to a world of trouble with your state's Wage and Hour Board should the nanny (who probably doesn't like YOU too much at this time either) file a dispute for unpaid wages.

4. Severance

This is truly decided on an individual case basis. A family relocating out of the area for example may provide "notice" when the "For Sale" sign goes up in front of the house. They may consider offering severance - perhaps 2 weeks pay - IF the nanny stays with the family until the move date. This type of severance is also known as a retention bonus. This helps insure the family against dealing with relocation and job issues and having the nanny leave prematurely because she, naturally, is most concerned with her own continuity of income.

Firing a nanny can be an uncomfortable experience for both family and nanny. For many employers, this is the first time they have EVER had to fire ANYONE.

Remember to follow the golden rule, and don't have this important conversation in anger, with steam coming out of your ears, if at all possible.

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5. Letter of Recommendation

When you are separating on amicable terms, please consider writing a [letter of recommendation](#), and making yourself reasonably available for telephoned reference checks.

6. Documentation

When your nanny is in violation of your work agreement and it DOES NOT endanger the children, providing nanny a written warning that documents the behavior, restates the work agreement, and advises that future offenses may result in termination can protect you from unemployment claims that adversely impact your tax rate. Make sure you have two copies; nanny signs one and gives it back to you. Keep daily time records (you should anyway for myriad reasons) so you can demonstrate, if needed, the dates and nature of the problem. If the nanny's offense endangers your children - forget the paperwork and let her go immediately. Write down as many specifics that day as possible so you have a contemporaneous record to back up your protest of an unemployment compensation claim.

7. Taxes

You nanny may be [eligible for unemployment compensation from your state fund](#). **This is true even if you were not properly reporting her wages to the state!** Presuming you have your employment taxes in order, your responsibility is to respond to the state's inquiry about the terms of dismissal in a timely basis. Failure to respond on time will result in a ruling on the nanny's behalf. If the nanny is awarded benefits, the charges are applied to your account in much the same way an at-fault auto accident is applied to your auto insurance. The total amount of the benefits paid will be part of your tax rate calculation in future years - you have no out of pocket obligation.

But what if you were paying under the table? If you did not report/pay your unemployment taxes, you will be subject to administrative action, including reporting to the IRS, and may be charged with the entirety of the nanny's unemployment benefits. Unemployment insurance (tax) for the full time nanny averages \$300- 400 a year - when paid on time. A nanny's benefits may be \$200 - 300 per week for up to 99 weeks. That could mean \$30,000 directly charged to you for failure to pay the requisite employment taxes.

8. Security & Family Property

Request that nanny at the time of separation return all house and car keys, as well as any remote devices. Consider changing the alarm or garage door codes if the separation is not amicable. Notify school and medical personnel that the nanny is no longer authorized for pickups, etc. If the nanny had a family credit card for groceries and the like, cancel that card too. Car seats, if provided for the nanny's car, should be returned then too.

IMPORTANT: You may not legally withhold the nanny's final paycheck in exchange for your family's personal property UNLESS this provision was written into your formal work agreement, with signatures of both parties.

9. Final Payment

Many states regulate the [timing of final payments to discharged employees](#). Know your state's requirements!

10. The Children

Never have this conversation in front of the children. Emotions run high – don't expose them to the conversation.

Other Resources:

- ▶ [Sample Work Agreements](#)
- ▶ [Tips: Avoid Common Payroll & Legal Mistakes](#)

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