



Ten Tips:

Nanny Share Arrangements

Families often team together to share the services of a single nanny. The nanny share concept arose out of the "Dot Com" crashes in the late 1990's, and accelerated in 2008 with the multiple crises of rising gasoline prices, rising unemployment (especially in professional sectors such as banking and legal) and the 2008 stock market declines. A nanny share is a wonderful way for the families to rein in their childcare expenses, and also for the nanny to maintain her income in troubled economic times.

The biggest pitfalls of a nanny share are failure of the parties to adequately communicate terms/conditions in advance and failure of the parties to plan for the end of the share arrangement before it actually starts.

A three-way work agreement is a best practice when nanny cares for both families' children simultaneously. While the nanny technically has two jobs, the arrangement has to be harmonious. The agreement ensures that nanny and all parents are on the same page relative to the terms and conditions of employment. Additionally, sometimes the parents themselves find it useful to put their "agreement" in writing regarding supplies, food, diet, baby equipment, and the like. A more traditional nanny work agreement is recommended when nanny works certain days for one family and the other days for a second family - this is not the type of share addressed here.

Items to spell out in the three-way Family-Family-Nanny agreement include:

1. Compensation.

Document nanny's total compensation and how this total is calculated between each family. Discuss frequency and [tax treatment](#) - if deducting income taxes be careful to coordinate the income tax deductions to consider the nanny's total income from both families. A nanny's total hourly compensation in a nanny share is typically 20%-25% greater than similar market rate working for one family.

2. Payment to nanny for times when one or both families don't need the nanny on a scheduled day(s).

Best practice is that nanny should be paid by all parties for all scheduled days that she is available to work. This includes the Friday when one family decides to get an early start to the weekend or the week a family is at the beach.

3. Notice/severance agreement between families when one wants to leave the share.

If family A decides to leave the share, there should be either a notice period or pay to the nanny in lieu of notice provision that allows nanny and family B to make arrangements to either find another family or end the share completely. This is the stickiest part of shares in our experience. Four weeks notice, or four weeks pay in lieu of notice by the departing family allows the remaining parties the time to make necessary adjustments.

4. Coordination of paid time off.

How will nanny's sick time be handled? Vacations? Will nanny have at least one week of vacation time at her choosing? What is the notice provision for vacation scheduling? When nanny is sick, how early do the parents require notice and who is notified?

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- Stacy C., Attorney, Washington D.C.

"Please renew my annual service. I did find a new nanny, Mary Poppins to be exact ;-), and I will be needing your services again. Thanks for a great service!"
- Janine M., Mother, Cary, NC

5. Overtime compensation, especially when only requested by one party.

For example, a nanny may earn \$24/hour for a 40 hour week, split evenly between each family. If one family requests 3 hours of overtime in a week, how will it be compensated? \$36/hour? Legally it can be no less than \$18.00 (\$12/hour at time and one half) in this situation. As a practical matter, nanny may be unwilling to work any hours, especially overtime, at less than her regular \$24 per hour. Spell it out - details count. What about off-hours babysitting? First come, first served?

6. The nanny's workplace.

If family A hosts the share but takes a week vacation, does the share relocate to family B's home? Is this geographically friendly to the nanny?

7. Childcare duties and expectations.

What are the expectations regarding activities, naps, diet, transportation? How is a sick child handled? Iron out these details in advance. Look forward - when the babies are on table food what will it be? If family A is happy with PB&J on white bread and family B wants their child fed organic quinoa salads for lunch, this may not work!

8. Transportation.

Will nanny be taking the children to activities, pre-school, etc.? How? Whose car? Are car seats needed? If the nanny's vehicle is required, [how will mileage be compensated](#)? Are there additional insurance costs and, if so, who will pay them?

9. Parenting styles.

This needs to be discussed up front. It is generally easier for nanny if all parents are on the same page - whether it be CIO or attachment or Baby Wise. She may struggle in a situation where families have dramatically different expectations on this front.

10. Nanny's notice requirements

When nanny leaves, the notice requirement should not exceed the notice that parents are willing to agree to in item 3 above. Two weeks is a minimum - four weeks by all parties is more reasonable. You will owe pay in lieu of notice if you wish to terminate sooner.

Lastly, consider crafting an **emergency plan**. If nanny needs to evacuate, where should she go, how will she get there, where will you meet up, who should be contacted, etc.? Are there medications or special equipment that she needs to grab on the way out? Does nanny need to deal with pets? Cell phone systems get overwhelmed in emergencies but text messaging systems are generally more stable and reliable.

Remember...

Remember, **details count**. Putting it down in writing gives everyone a frame of reference, avoids misunderstandings and ambiguity, and generally just makes the share go more smoothly for all.

A nanny share provides families (and the children) with most of the benefits of private nanny care, at about 60% of the cost. This discussion presumes the nanny is caring for both families' children at the same time.

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Kathleen Webb, Co-Founder, HomeWork Solutions Inc.

HomeWorkSolutions.com | (877) 899-3004 |

