



Placement Agency or Employment Agency?

When making decisions about home care, families need to know the difference.

Placement Model

A placement agency, or registry, screens caregivers and matches them with clients, but does not employ its direct-care workers.

When using a placement agency, the consumer is the employer, responsible for paying and supervising the caregivers the agency provides. The consumer must also pay employment taxes and assumes liability for on-the-job injuries.

Placement agencies frequently charge an agency fee on top of the hourly rate, another factor that raises total cost.

Employment Model

In addition to screening caregivers and matching them with clients, agencies that employ their home care associates pay their wages and employment taxes, carry workers compensation insurance, and provide ongoing supervision and support.

While the hourly rates charged by employment agencies are typically higher than placement agency rates, the total cost to the consumer is comparable (see reverse).

To learn more, please visit www.house-works.com and click on *Information for Families*.

Consumer Cost Comparison

	Employment Agency <i>The agency is the employer.</i>	Placement Agency (Registry) <i>YOU are the employer.</i>
Hourly Rate*	\$23.50	\$17.50
Payroll taxes	Included in the rate.	You pay.
Worker's comp	Included in the rate.	You pay.
Agency fee	None	\$22 per shift
TOTAL COST		
Five-hour shift:	\$118	\$122
Eight-hour shift:	\$188	\$182

*Quoted rates are for illustration purposes only. Actual rates vary by provider.

Before choosing a placement agency, be sure to ask these questions:

- Will you be able to use your long-term-care insurance policy?
- How often will you have to pay mandatory payroll taxes? How much time will this take?
- If you don't purchase a worker's compensation policy, what will happen if your employee hurts him or herself while working for you?
- Do you have the time and energy to be an employer?