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[Can I Get Paid to Be a Caregiver for a Family Member?](#)

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Family Caregiving

Caregiving for a family member can be time-consuming and emotionally draining. It can be financially draining, too.

About 48 million Americans provide care without pay to an adult family member or friend, and they do so for an average of nearly 24 hours per week, according to the [Caregiving in the U.S. 2020 report](#) by AARP and the National Alliance for Caregiving (NAC).

[Another AARP study](#) issued in June 2021 found that 78 percent of family caregivers regularly incur out-of-pocket costs caring for a loved one, with the average annual expenditure topping \$7,200.

That unpaid and often expensive commitment can make it hard for caregivers to make ends meet. Twenty-eight percent say they have stopped saving money, and 23 percent have taken on more debt, the AARP/NAC study found. Growing awareness of this financial burden has fueled a national conversation around issues like paid leave and even outright payment for family caregivers.

Your chances of getting paid to be a family caregiver are best if you are caring for a U.S. military veteran or for someone eligible for Medicaid, but other possibilities exist.

► [Video: How to Get Paid as a Caregiver](#)

For Medicaid Recipients

All 50 states and the District of Columbia offer self-directed [Medicaid services](#) for long-term care.

These programs let states grant waivers that allow qualified individuals to manage their own long-term home-care services, as an alternative to the traditional model where services are managed by an agency. In some states, that can include hiring a family member to provide care.

Benefits, coverage, eligibility and rules differ from state to state.

Some programs pay family caregivers but exclude spouses and legal guardians. Others will pay care providers only if they do not live in the same house as the care recipient.

Program names also vary. What is called Consumer Directed Care in one state might be called Participant-Directed Services, In-Home Supportive Services or Cash and Counseling in another. [Contact your state Medicaid program](#) to ask about its options or to start the sign-up process.

Enrolling in self-directed care involves the following steps:

- **Assessment.** Your loved one — with assistance if desired or needed — is assessed for capacities, need, preferences, risks and strength as the Centers for Medicare & Medicaid Services requires.
- **Planning.** Your family member and any chosen representatives create a written service plan detailing the daily living assistance required. Areas may include bathing, dressing, feeding, helping with light housekeeping and laundry, managing medications, moving from bed to wheelchair, preparing meals, shopping, supervising activities and transporting to appointments. Contingency plans should be available for coverage when the care provider is off and instructions for fill-in caregivers should address risks.
- **Budgeting.** If the assessment shows need, a budget for goods and services will be provided.
- **Selection.** When the care plan is set, the care recipient, or a surrogate if needed, chooses a caregiver.

For Military Veterans

Veterans have four plans that they may qualify for.

Veteran Directed Care

Similar to self-directed care under Medicaid, this Department of Veterans Affairs (VA) program allows qualified former service members to manage their own long-term services and supports. It is available in 42 states, the District of Columbia and Puerto Rico for veterans of all ages who are enrolled in the Veterans Health Administration health care system and need the level of care a nursing facility provides but want to live at home or the home of a loved one.

A flexible monthly budget, based on a VA assessment of the veteran's needs, enables participants to choose the goods and services they find most useful, including a caregiver to assist with activities of daily living, such as bathing, cooking, feeding, dressing, using the bathroom and adjusting prosthetic devices. The veteran chooses the caregiver and may pick any physically and mentally capable family member including a child, grandchild, sibling or spouse.

VA medical centers determine eligibility and make referrals. Find and contact your [nearest center](#) for more information on the program.

Aid and Attendance (A&A) benefits

This program supplements a military pension to help cover the cost of a caregiver, who may be a family member. A&A benefits are available to veterans who qualify for VA pensions and meet at least one of the following criteria. The vet:

- Requires help from another person to perform everyday personal functions such as bathing, dressing and eating.
- Is confined to bed because of disability.
- Is in a nursing home because of physical or mental incapacity.
- Has very limited eyesight, less than 5/200 acuity in both eyes, even with corrective lenses, or a significantly contracted visual field.

Surviving spouses of qualifying veterans also may be eligible for this benefit.

To apply, complete the [A&A application form](#). Explain why a caregiver is needed, ideally including an attending doctor's report.

Be specific about the disease or injury that caused physical or mental impairment, and explain on the form your typical day, noting how well you get around, any loss of coordination or any inability to manage basic daily needs without assistance. You

can mail the form to the [pension management center](#) that serves your state or file in person at your [regional VA benefits office](#).

Housebound benefits

Veterans who receive a military pension and are substantially confined to their immediate premises because of permanent disability can apply for a monthly pension supplement.

The application process is the same as for A&A benefits, but you cannot receive both housebound and A&A benefits at the same time.

Program of Comprehensive Assistance for Family Caregivers

This program provides a monthly stipend to family members who serve as caregivers for veterans who need assistance with everyday activities because of a serious injury or illness sustained in the line of duty on or before May 7, 1975, or on or after Sept. 11, 2001. (Benefits will be extended in October 2022 to veterans who suffered a service-related disability between those dates.)

The veteran must be enrolled in VA health services, have a disability rating (individual or combined) of 70 percent or higher, and need either personal care related to everyday activities or supervision or protection because of their condition. The caregiver must be 18 or older and a child, parent, spouse, stepfamily member, extended family member, or full-time housemate of the veteran.

The stipends are based on federal pay rates for the region where an eligible veteran lives. The caregiver receives 62.5 percent or 100 percent of the pay rate, depending on the level of supervision and help with daily activities the veteran needs.

For more information about the monthly stipends go to this [VA fact sheet](#) on the program.

Other caregiver benefits through the program include these:

- **Access to health insurance** and mental health services, including counseling
- **Comprehensive training**
- **Lodging and travel expenses** incurred when accompanying vets going through care

- **Up to 30 days** of [respite care](#) per year.

► For more information on help for military caregivers, visit the [VA Caregiver Support page](#) or call its hotline at 855-260-3274.

Getting paid by a family member

If the person needing assistance is mentally sound and has sufficient financial resources, that person can choose to compensate a family member for the same services a professional home health care worker would provide.

If you and your loved one are exploring this route, try these steps to establish a proactive employer-employee approach, which can minimize stress and family tension.

- **Put aside any awkward feelings** about discussing what you both need. Talk about wages and paydays, health risks, scheduling, and how respite care and caregiver sick days will be handled.
- **Draw up a [personal care agreement](#)** that will serve as a contract between the caregiver and the care recipient. It should spell out wages, what services will be provided and when, and the length of the agreement, among other terms. Consider involving other members of the immediate family in working out terms so they are not surprised later.
- **Consult an elder care lawyer** to review your contract to make sure it meets tax requirements and deals with inheritances. All other interested parties, such as siblings, need to approve it.
- **Beware of emotional pitfalls.** If family members seem uncomfortable with the arrangement or disagree with the plan, consider a session with a neutral party, such as a family therapist or family mediator who specializes in elder care.
- **Keep professional records.** Specify services performed, dates of work and the amount paid. This paperwork is essential if your family member later applies for Medicaid. During the qualification process, a caseworker will examine records for the past five years.
- **Report income.** As with any paid job, caregivers are legally required to report wages as taxable income. If at a later date your family member becomes

eligible for Medicaid but your taxes have not been paid, Medicaid will consider the money a gift — not an expense. This could prevent your loved one from qualifying for Medicaid. On the other hand, the Internal Revenue Service is clear: When services are provided, all money received is a wage, not a gift.

Long-term care insurance

If your loved one has [long-term care insurance](#), it probably covers some costs for home health care and personal care services.

However, not all policies extend that coverage to paying spouses or other family members living in the home. Ask your loved one's insurance agent or insurance company for specifics and request a written confirmation of benefits.

Learn More about Caregiving Finances

- [What caregiving costs will Medicare cover?](#)
 - [Prepare a digital estate plan for future caregivers](#)
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AARP was founded in 1958 and has over 38 million members. It is a nonprofit, nonpartisan organization for people over the age of 50. AARP is well-known for its advocacy efforts, providing its members with important information, products and services that enhance quality of life as they age. They also promote community service and keep members and the public informed on issues relating to the over 50 age group.

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