

## PC Policy #16: Contracting Guidelines for Peer Counselors



NM WIC Peer Counselors (PC) sign agreements that are contracted through the New Mexico Breastfeeding Task Force (NMBTF), who serves as NM WIC PC fiscal agent. The fiscal agent compensates PCs for approved activities working with WIC and WIC clients. Peer Counselors are self-employed contractors not employees of the NM Department of Health WIC program. Peer Counselors are recruited for potential hiring, selected and work with WIC staff.

*Note: Self-employed or independent contractors commonly operate their own business and handle finances by filing and paying state and federal taxes on their own.*

### **Peer Counselors responsibilities include but are not limited to the following;**

- Fiscal Agent Bookkeeper's Responsibility:
  - To pay a PC within 2 weeks of receiving their monthly invoice from the Local Peer Counselor Coordinator (LPCC).
  - Contact the LPCC when there is an error on the PCs invoice and withhold payment until the error is corrected.
  - Mail a 1099 to PCs for tax reporting purposes each year on the last day of January.
  - Be available for PCs for questions or concerns regarding verification of their contract employment for example, proof of income for public assistance programs, etc.
  - Is *not responsible* for providing PCs with any financial or tax-related advice.
- Tax Reporting:
  - PCs are responsible for their own state and federal taxes as self-employed business owners. State and federal taxes *are not taken out* of PCs monthly pay.
    - Monthly or Quarterly State Gross Receipts Tax
    - Quarterly State and Federal Income Taxes
- PCs should register with the NM Taxation and Revenue Department (TRD) as a business owner who provides peer counseling contract services:
  - The TRD can provide a PC with help concerning State of NM tax reporting and payment procedures, and offers an optional, but very useful contractor training class (free of charge).
  - PCs obtain a Combined Reporting System (CRS) Identification Number, which is used to report and pay tax collected on gross receipts from business conducted in New Mexico.

### **Contact information for NM Taxation and Revenue Department:**

1100 South St. Francis Drive

Santa Fe, NM 87504

(505) 827-0700

<http://www.tax.newmexico.gov/>

### **Contact the Internal Revenue Service (IRS) for Federal Income Tax:**

1-800-829-4933

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[www.irs.gov](http://www.irs.gov)

### **Peer Counselor Contractors are encouraged to:**

- Keep copies of monthly invoices for financial and tax reporting purposes.
- Seek and pay-out-of-pocket for their own coverage for medical, dental, vision, etc.
- Deduct a portion of each pay to cover taxes and fees.

*Peer Counselors are highly encouraged to seek and gather additional information on successfully working as an independent contractor on their own time.*