



WASHINGTON STATE LONG-TERM CARES FUND

In 2019, Washington State signed into law the Long-Term Care Trust Act, the first public, state-level long-term care insurance program of its kind. The Act aspires to provide Washington State workers with basic, publicly funded long-term care protection. This program underscores the significant impact long-term care costs have on a state's budget and reflects the importance of identifying options for how to pay these costs.

Basic Information / Payroll Tax to begin

- ❖ The Washington State Long-Term Care Trust Act will be funded as part of the employee's wages through a payroll deduction. Effective January 1st, 2022 the premium tax assessed will initially be 58 cents per \$100, which means for someone earning \$100,000 per year, \$580 will be deducted from their paycheck. Once an employee is vested in the program, they will be entitled to a total lifetime benefit of \$36,500, which equates to a \$100 per day benefit for one year.
- ❖ The provision does not include a cap on wages subject to this premium tax, which means a high-income earner could pay premiums in excess of the \$36,500 lifetime maximum benefit provided by the law.

"Opt-Out" Exemption

- ❖ An employee who attests they have a private long-term care coverage (LTC) plan in place by November 1, 2021 may apply for an exemption and opt out of the program. Once an exempt employee opts out of coverage, he or she is permanently ineligible for coverage under the program but is not required to pay any of the premium tax either.
- ❖ Washington residents with existing LTC coverage may file for an exemption only after October 1st, 2021 and before December 31st, 2022.

Take Action/Learn More

- ❖ Carefully read the detailed PowerPoint presentation that was emailed to you and take action when necessary. If you need a printed copy of this presentation, you can request one from your building administrative assistant.
- ❖ Visit WASHINGTON CARES FUND webpage at: <http://www.wacaresfund.wa.gov/>