

## Long Term Care Bill and Active Employee Implications

In 2019, Washington became the first state in the nation to create a government-run, long-term insurance care program. Funding for the program will come from payroll deductions at the rate of 58 cents for every \$100 in income (or \$290 per year for a person making \$50,000; \$580 per year for those with \$100,000 incomes). Deductions will begin with January, 2022 paychecks. See the WA Cares one-pager below for program details.

In most cases, ten years employment (beginning in 2022) is required to qualify for benefits which are limited to \$36,500 lifetime. Portability (meaning out-of-state use) is prohibited. All compensated employees—whether they plan to work for the next ten years or not—will be assessed the fee.

The lone exception is for those holding an existing long-term care policy. Predictably, WSSRA, through its partnership with AMBA, has fielded inquiries from active K-12 employee members **not** planning to work for ten more years regarding purchasing a policy through AMBA's vendor Mutual of Omaha.

Unfortunately, Mutual of Omaha, along with other insurance carriers in Washington who participate in the long-term care market, apparently have placed a moratorium on selling long-term care policies through the October 31, 2021 state-imposed opt-out deadline. No formal rationale has been given for the decision to stop selling these policies. Some speculate that one reason is to avoid difficulties with less-than-honest individuals who purchase a policy to avoid the state tax, and then quickly cancel it to avoid paying any money for long-term care services. Others surmise that profit margins for long-term care have shrunk with the new competition from the state-sponsored plan.

The bottom line is that if an active employee/WSSRA member has a long-term policy in hand at this time, s/he is **not** required to pay the 58 cents per \$100 fee. The opposite is also true: no policy and the fee will be assessed beginning in January for all—whether the ten-year threshold is likely to be met or not.

We will keep you informed if anything changes with the timelines or rules for the state's implementation of the long-term care insurance act.

## What is the WA Cares Fund?

WA Cares is a new fund to which we all contribute when we're working. Through it we can access long-term care when we need it.



A Long-Term  
Care Fund  
For Everyone.

## How Does WA Cares Work?

### *Βενεφίτιο*

You can receive services and supports worth up to \$36,500 (adjusted annually up to inflation) over your lifetime. You choose how to use your benefits – for example, you can hire a home-care aide, pay a family member, make home modifications, or receive care in a residential setting or nursing home. Anyone who needs help with at least three activities of daily living, such as eating, bathing, or toileting, who has met the vesting requirements below is eligible.

### Contributions

WA Cares is self-funded entirely by worker contributions. The premium is 0.58% (your wages x 0.0058). For the typical worker earning \$52,075, it is \$302/year. To earn benefits, you must contribute at least 10 years (without a break of 5 or more years) or have contributed 3 of the past 6 years at time of application for benefits.

WE'VE GOT TOMORROW COVERED

## Protect Your Retirement Savings



7 in 10 of us will need long-term care. Medicare doesn't pay for it. With WA Cares, most of us will no longer need to deplete our life savings to get care.

Employees who do not wish to participate in WA Cares will need to purchase private insurance. Private premiums can be much more expensive and are owed till the day you die or need care and can be hard to afford on a fixed income. WA Cares offers affordable coverage, and you stop contributing the day you retire. When comparing cost, compare lifetime – not annual – cost.

## Key Dates

**October 1, 2021 – December 31, 2022**

Window to apply for coverage exemption.

**October 31, 2021**

Deadline for having private insurance to qualify for a lifelong exemption.

**January 1, 2022**

Premiums begin for employees. Self-employed can opt in to coverage.

**January 1, 2025**

Benefits become available to qualified, eligible individuals.

## Protect Your Family



Most of us can't afford long-term care when we need it. Our loved ones end up having to pay for – or provide – the care we need.

Family caregivers often have to reduce work hours, turn down promotions, or leave the workforce, sacrificing their own economic and retirement security. With WA Cares, you and your family will have money to hire a professional caregiver if you so desire, or a loved one can be your paid caregiver.

## Learn More

Visit [wacaresfund.wa.gov](http://wacaresfund.wa.gov) and get answers to your questions at [wacaresfund.wa.gov/learn-more](http://wacaresfund.wa.gov/learn-more)

Attend a live webinar. Sessions are held weekly. View dates at [wacaresfund.wa.gov/learn-more](http://wacaresfund.wa.gov/learn-more).



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