

# WA Cares Fund<sup>SM</sup>

## Washington state enacts first public long-term care insurance program

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The WA Cares Fund<sup>SM</sup> creates a publicly funded long-term care benefit for Washingtonians that provides a basic level of long-term care protection for working residents.

### What we know

- The program is funded through a payroll tax.
- Based on current expectations, employees are required to contribute 58 cents per every \$100 of income through a payroll deduction.
- Once vested, total lifetime benefits are \$36,500/person that is adjusted for inflation.
- LTC benefits are only available to eligible participants in the state of Washington and are not transferable.
- Individuals that own a private long-term care insurance policy are able to permanently opt out of the program by applying for an exemption with their employer.
- To qualify for an exemption, the policy must be purchased by November 1, 2021, and the policyholder must apply for the exemption from October 1, 2021 to December 31, 2022.

### When it's effective

- The tax will be collected beginning January 1, 2022, unless the employee has opted out.
- Benefits become available to eligible employees and retirees starting in 2025.
- State employer education began in 2020 and is continuing.

### Who it impacts


- All Washington workers
- An option to participate is available for self-employed workers.
- Note that employers are not required to make contributions.
- Residents that move out of state for longer than five years will forfeit benefits and premiums.

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The Lincoln National Life Insurance Company

## How it works

- Employees pay a tax that a trust fund invests and distributes after employees are vested and qualified.
- The vesting period for benefits includes those that have paid the tax for either:
  - Three of the past six years, or
  - Ten years without a break of five or more years
- Care providers must be listed on a Department of Social and Health Services approved list.
- To qualify, once vested, residents must require assistance with three Activities of Daily Living (ADL),\* which include:



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\*Washingtonians for a Responsible Future, Long-Term Care Trust Act Fact Sheet, <https://responsiblefuture.org/the-ltc-trust-act/#:~:text=The%20Long-Term%20Care%20Trust%20Act%20would%20set%20up,care%20needs%20over%20months%2C%20years%20or%20even%20decades.>

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