PLEASE NOTE: This email has been sent to all Washington State University (WSU) faculty, staff, and hourly employees. This benefit will not be administered by WSU; please visit WA Cares Fund for additional information. Additional information will be posted as it becomes available.

Long-Term Care Payroll Tax Coming January, 2022
Act Now, if you want the LTC Exemption

In May, Human Resource Services sent all faculty, staff and non-student hourly employees an email regarding the state of Washington’s Long-Term Care (LTC) program and the associated payroll tax that will be used to fund the LTC Benefit Trust. With Fall semester starting, and some LTC deadlines occurring as soon as November 1, we are providing you with the following reminders and new information about the LTC program.

The LTC Benefit will start as early as January 2025, and eligible applicants will be able to receive up to a lifetime $36,500 benefit to address a wide range of long-term services and support. [Please note: The LTC benefit is not the Long Term Disability Insurance we offer as part of the WSU benefits package to benefit-eligible employees.]

The Payroll Tax to fund this future benefit begins in January 2022, and all Washington state employees will pay .58% of all eligible earnings, including those that reside outside of Washington State.

To be Eligible for the Future Benefit individuals must have worked and contributed to the Trust for at least ten years throughout their life without a break of five or more years OR three of the last six years at the time they apply for the benefit, AND at least 500 hours per year during those years. Applicants also will need to show they need assistance with at least three daily living activities, are at least 18, and are a resident of the state of Washington.

Exemption from the Program: If an individual has a private LTC policy in place no later than October 31, 2021, they can request an exemption from the LTC payroll deduction, which will also make them ineligible for the state’s future LTC benefits. The Employment Security Department (ESD) will have the exemption application available starting October 1, 2021, and exemption requests may be filed as soon as that date, and no later than December 31, 2022; the exemption would go into effect the quarter following the approval of the exemption application.

If you plan to pursue the exemption, act now if you do not already have a private LTC policy. Visit Private LTC Insurance for information on what is required through private insurance to be exempted, as well as a list of eligible private LTC providers in Washington. The benefit package offered through WSU does not have a LTC product; private LTC policies to be exempted from the tax must be purchased from the private market.
Things to consider as you think about the state’s plan vs. a private LTC plan:

- Determine if you meet the eligibility criteria of the state benefit.
- Determine if the benefit is adequate, or if you need more coverage.
- Determine if your health may be a disqualifying factor for a private LTC plan, or if you would still qualify, the impact your health status would have on your premiums. Your current health is not a factor in the state’s plan.
- Note that you only pay the LTC tax while working. Private LTC policies normally require payments whether you are working or not.
- The LTC tax is currently .58% of your gross earnings. Private LTC premiums are often based on your age and health, as mentioned above, at the time of application.

Informational Presentations:

WaCares is providing several webinars in August and September. Visit the WaCares Learn More website for dates, times, and login information.

WSU HRS will also be providing informational sessions at the following times:

- **August 13**, 1:30 – 2:30
- **August 19**, 9:00 – 10:00
- **August 25**, Noon – 1:00
- **September 7**, 3:00 – 4:00
- **September 23**, 2:00 – 3:00

An online recording will also be available shortly, accessible at the Long Term Care website.

- Meeting ID: 812 058 2016
- Passcode: 382780

More Resources: Visit the HRS Long Term Care website for more information, including FAQs, and links to other resources including workbooks, overview flyers, and a guide to buying LTC.

Questions? Contact WA Cares Fund