

From: [HR Benefits Office](#)
To: [DIST- ALL City of Tacoma](#)
Subject: Important Update: Delay in Long-Term Care Insurance Payroll Tax
Date: Tuesday, December 21, 2021 11:54:28 AM

Governor Inslee announced on Friday, December 17, 2021, he is ordering the state Employment Security Department (ESD) to not collect premiums for the Washington State Long-Term Care program from employers until the legislature reconvenes and can make adjustments and consider recommendations from the Long Term Care Commission. It is anticipated the legislature will affirm this delay by passing consistent legislation to direct employers not to collect the tax from employees. The Legislature and Governor Inslee have [announced plans](#) to change and improve the WA Cares Fund during the 2022 legislative session, which is scheduled to conclude in March 2022.

Therefore, until the legislature acts in 2022, employers are urged to not withhold the premium tax from employees as of January 1, 2022. The City of Tacoma will pause collecting the Long Term Care tax until further direction is provided.

For more background on the Washington State Long Term Care Insurance Program and payroll tax, please visit the state's website at www.wacaresfund.wa.gov . As more updates become available on this change in direction with this legislation, we will keep employees informed.

Note: If you have obtained a private long-term care insurance policy and applied for your exemption through the State, we ask that you forward the exemption letter you receive from the state to the Benefits Office for processing at benefits@cityoftacoma.org .

Thank you.