



Washington State's Long-Term Services and Supports Trust Act (LTSS) Frequently Asked Questions (FAQ)

What is the Long-Term Services and Supports Trust Act (WA Cares Fund)?

This Washington state legislation provides for the nation's first public State-operated long-term care insurance program, which is funded by a payroll tax on employee wages.

What is long-term care insurance? "Long-term care insurance helps with many medical, personal and social services for people with prolonged illnesses or disabilities. It can include home health care, adult day care, nursing home care and group living facility care." <https://www.insurance.wa.gov/long-term-care-insurance>

What benefits are provided under the State's long-term care program?

Beginning in July 2026, eligible individuals who have vested in the program and have a need for long-term services and supports may begin applying for benefits. If eligible, and if the Department of Social and Health Services (DSHS) determines that an individual requires assistance with activities of daily living, the program provides benefits up to a maximum lifetime benefit of \$36,500 with no daily limit (adjusted annually for inflation). Individuals born before January 1, 1968, can earn a partial benefit of 10% of the full benefit amount for each year they worked at least 500 hours.

These benefits may be used for a range of services, including professional care at home or at a licensed facility; training, pay and support for family members who provide care; memory care; home-delivered meals; rides to a health care provider; adaptive equipment and technology; home safety evaluation; and emergency alert devices.

How much does it cost employees to pay the Long-term care tax?

Beginning July 1, 2023, the State will begin collecting a payroll tax on all employee wages. Employers are required to deduct premiums from each paycheck employees receive on or after July 1, 2023, regardless of when the wages were earned. For the City of Tacoma, the first paycheck including the long-term care tax will be paid on Friday, July 7, 2023, which will include wages earned from June 19 – July 2, 2023. Unlike other payroll taxes, there is no cap on the wages subject to this tax. In 2023, the rate is \$0.58 per \$100 of earnings or a calculation of (Gross Wages x .0058 = Total Premium). By way of example, an employee earning \$50,000 per year would contribute \$290 annually, while an employee earning \$150,000 would contribute \$870 annually. The legislature may increase the premium rate.

Who is eligible to receive benefits?

To be eligible for benefits beginning July 1, 2026, an employee must be age 18 or older, must reside in the State of Washington, must be vested in the LTC program, and must establish to the State that they require assistance with at least three activities of daily living. To be eligible for **full benefits**, individuals must have: 1. paid LTC premiums for either: (a) a total of 10 years (without interruption of five or more consecutive years); or (b) three years within the last six years; and 2. worked a minimum of 500 hours per year during those ten or three years. To be eligible for **partial benefits**, individuals must have been born before January 1968 and worked and contributed to the fund for at least one year for 500 hours.

Can I opt out of the State long-term care program?

Yes, there are a few provisions that allow for individuals to apply for a permanent or conditional exemption from the WA Cares Fund program:

Private Insurance Exemption (Limited Time Offer that Has Ended)

Individuals who had private long-term care insurance on or before Nov. 1, 2021, were able to apply for an exemption from the WA Cares Fund from **Oct. 1, 2021, until Dec. 31, 2022**. This opt-out provision is no longer available. (See *below* for limited new exemption options available January 1, 2023.)

An individual who was approved for a private insurance exemption while the limited time offer was made available, must notify any current or future employer of their exempt status by providing a copy of their approval letter to their employer. **Note: Any exemption approved by the State for the private insurance exemption is permanent, and individuals may never opt back into the State program under the current legislation.**

(See the last page of this FAQ for more information on the Private Insurance Exemption from ESD)

(New) Exemption Options Available January 1, 2023

Certain workers who would unlikely qualify or use their benefits can request an exemption beginning on January 1, 2023, and will be ongoing:

- Workers who live out of state, workers on non-immigrant visas, and military spouses or registered domestic partners can be granted a conditional exemption*
- Veterans with a 70% or higher service-connected disability can choose to permanently opt out of the program

To opt out of the State's long-term care program, individuals must apply for an exemption through the Employment Security Department (ESD) website wacaresfund.wa.gov. Visit the "Exemptions" section of the website and complete an Exemption Application. Individuals will need to verify their identity and establish a SecureAccess Washington (SAW) account. Individuals will also need to provide certain documentation to ESD when applying for an exemption based on the type of exemption they are applying for, which can be found [here](#).

An individual who is approved for an exemption will receive an approval letter from ESD. Individuals are then required to present their exemption approval letter to all current and future employers. **If individuals fail to present their ESD approval letter, their employers will withhold non-refundable WA Cares premiums.** Exemptions will take effect the quarter after an individual's application is approved.

How do I notify the City that I have opted out of the State's long-term care program?

City employees must submit the exemption approval letter received from ESD to the City's Benefits Office via email at benefits@cityoftacoma.org. If an employee fails to provide written notification of an approved, effective exemption to the Benefits Office, the City must collect and remit premiums to ESD.

What do I do if I am no longer eligible for a conditional exemption for the State's long-term care program?

Workers with a conditional exemption that was approved by ESD will begin contributing to the State program if their situation changes and they no longer qualify for an exemption. They are required to notify their employer and ESD within 90 days of no longer qualifying. A discontinued exemption will take effect the quarter immediately following notification and premiums will be assessed. Employees who fail to provide notification will owe any unpaid premiums to ESD. Unpaid premiums will be assessed interest of one percent, compounded monthly, until payment is made in full.

I was approved by ESD for a conditional exemption to opt-out of the State’s long-term care program. Can I choose to end my conditional exemption even though I still qualify to have it?

No. If an individual was eligible for and applied for a conditional exemption and was approved by ESD to opt-out of the State’s long-term care program, they cannot discontinue their exemption until they no longer meet the qualification requirements.

Will there be further guidance or updates regarding this new law?

Yes. The Trust Act also created the Long-Term Services and Supports Trust Commission (the Commission), which works on behalf of Washingtonian employees and Long-Term Services & Supports stakeholders to improve, monitor, and implement the program. The Commission provided recommendations to the legislature for consideration in 2023.

The State has the following website, which reflects rulemaking activity <https://esd.wa.gov/newsroom/rulemaking/ltss>. They also developed a WA Cares Fund website at <http://www.wacaresfund.wa.gov/> that has information on the program and tax, which includes a “Program news & webinars” as well as “Toolkits & resources” sections that offers upcoming State offered webinars and [frequently asked questions](#).

How do I contact ESD with questions/assistance?

For general questions about the program, call **844-CARE4WA** (844-227-3492) toll-free. The call center is open Monday through Friday from 8:30 a.m. to 4:30 p.m. They are closed on weekends and state holidays. Language assistance and other accommodations are available. TTY/TDD users can dial 1-800-833-6384 for [Washington Relay Service](#). For questions about WA Cares exemptions, call (833) 717- 2273 and select option 3. For other general questions, call 844-CARE4WA (844-227-3492). To get a response by email, there is a form to complete on the [website](#), which can be found in the “Contact Us” section.

The WA CARES Fund website provides the following Q&A regarding the status of private insurance exemptions:

Can I cancel my approved private long-term care insurance exemption?

Under current law, private insurance exemptions are permanent and cannot be canceled. The WA Cares oversight body, the LTSS Trust Commission, recommended to the legislature in its [January, 1, 2023, report](#) that everyone who has a lifetime exemption be offered a one-time limited opportunity to permanently join the WA Cares Fund. If the legislature makes changes to the law, the Employment Security Department will update the website and send a notification to the [WA Cares mailing list](#).

I have an approved private insurance exemption. Can I cancel my private insurance policy?

If you already have an approved exemption, it’s up to you to decide whether to maintain or cancel your private long-term care policy. You should speak with your broker or agent who sold you the policy about options.

The WA Cares oversight body, the LTSS Trust Commission, recommended to the legislature in its [January 1, 2023 report](#) that all individuals with approved private insurance exemptions be required to provide proof that they had purchased a qualifying long-term care policy prior to November 2021 and that they have maintained their policy through the present day. The Commission recommended requiring this recertification every 1-3 years for a total of 10 years. If the legislature makes changes to the law, the Employment Security Department will communicate directly with customers to explain their options.

Can I get a refund for the private long-term care insurance policy I purchased?

Purchasing a private policy to qualify for a WA Cares exemption was a voluntary decision by individuals wishing to opt out of the program. If individuals have already received an approval letter from the

Employment Security Department exempting them from the WA Cares program, their exemption is still approved and will still be effective once premium assessment begins on July 1, 2023.

The laws passed in 2022 did not change the requirements for private long-term care insurance and exemption status in RCW 50B.04.085. It is up to individuals to decide whether they wish to maintain or cancel their private long-term care policies. The laws also did not provide for reimbursement of the cost of long-term care insurance voluntarily obtained by individuals.

The purchase of a private policy is between the customer and their private insurance provider. Customers should contact their insurance provider with questions.