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**To:** [DIST- ALL TPD Commissioned](#)  
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**Subject:** Washington State Long Term Care Legislation ( FOR LOCAL 6 ONLY)  
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Dear City Employees:

You may have heard during Town Hall or other communications about Washington's new Long-Term Care Program (the Long-Term Services and Supports Trust Act). This law established a state-operated long-term care insurance program, which is funded by a payroll tax on employee wages.

**Beginning January 1, 2022, the State will begin assessing a 0.58 percent payroll tax on all employee wages.** Unlike other payroll taxes, there is no cap on the wages subject to this tax.

Beginning in January 2025, eligible individuals who have vested in the program may begin accessing long-term care benefits up to a lifetime benefit of \$36,500 (adjusted annually for inflation). 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.

### **Q & A**

#### **How much does it cost employees to pay the Long Term Care tax?**

In 2022, the rate is \$0.58 per \$100 of earnings. 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. This rate may increase over time based on the state's determination.

#### **Can I opt out of the State Long Term Care program?**

Individuals who have a private Long Term Care plan may potentially opt out of the tax if they have qualified long-term care insurance in place prior to November 1, 2021. An employee who obtains an approved exemption from the Employment Security Department (ESD) may be required to provide written notification to all current and future employers of the exemption. Represented employees may have the option to sign up for a qualified alternative and opt out of the tax through their union.

#### **Who else provides long-term care insurance?**

You are encouraged to meet with your financial advisor to determine if a different long term care plan is right for you and would qualify for an exemption by the Employment Security Department (ESD). At this time, the City does not have a vendor who provides a LTC plan through a payroll deduction. You are encouraged to carefully explore your options and consider companies with whom you have an established insurance relationship, or referrals from trusted individuals. You can also find a listing of long term care insurance companies approved to sell in Washington State on the Washington State Office of the Insurance Commissioners'

website <https://www.insurance.wa.gov/long-term-care-insurance-companies-approved-sell-washington-state>

#### **Who is eligible to receive benefits?**

In order to be eligible for benefits beginning in 2025, 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 become vested in the program, 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. Reference: RCW 50B.04.010(6); RCW 50B.04.050; RCW 50B.04.060.

**Will there be further guidance regarding this new law?**

Yes. The State is currently in the process of developing program rules <https://esd.wa.gov/newsroom/rulemaking/lts> . You may sign up for email updates. We will share more information about the plan and tax as it becomes available.

If you have any further questions on this matter, please contact Senior Compensation & Benefits Manager, Kari Louie at [klouie@cityoftacoma.org](mailto:klouie@cityoftacoma.org) .