

**From:** [HR Benefits Office](#)  
**To:** [DIST- ALL City of Tacoma](#)  
**Subject:** State Long-Term Care Insurance Program Payroll Tax (IMPORTANT UPDATES)  
**Date:** Wednesday, February 22, 2023 9:50:50 AM

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To: All Employees  
From: HR Benefits Office  
Subject: **State Long-Term Care Insurance Program Payroll Tax (IMPORTANT UPDATES)**

In 2021 and 2022 employees were sent various communications via email and mail to their home address regarding Washington State's new Long-Term Care Program (the Long-Term Services and Supports Trust Act), which is now referred to as the "WA Cares Fund". This law established a state-operated long-term care insurance program, **which is funded by an employee-paid payroll tax, that will [begin July 1, 2023](#).**

## **The State Has Started Accepting New Exemption Applications**

As of January 1, 2023, the State began accepting applications from certain workers who would be unlikely to qualify or use their benefits to request an exemption to opt-out and be exempted from the WA Cares Fund and employee payroll tax.

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

If applicable and you are interested in opting out of the State long-term care program, review the City's long term care [webpage](#) and updated [FAQ document](#) for information on these new exemption options as well as details on:

- The status of the private insurance exemption originally offered by the State
- What is long-term care insurance
- What benefits are provided under the State's long-term care program
- The cost of the long-term care tax
- Who is eligible to receive benefits under this program
- How to contact the Employment Security Department with questions

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

If you are approved for an exemption from the State's long-term care program you must notify the City in order to avoid paying the payroll tax starting July 1, 2023. City employees must submit the exemption approval letter received from ESD to the City's Benefits Office via email at [benefits@cityoftacoma.org](mailto:benefits@cityoftacoma.org) . If an employee fails to provide written notification of an approved exemption to the Benefits Office, the City must collect the payroll tax from an

employee's paycheck to remit to ESD.

### **Questions?**

For additional information on the State Long-Term Care Program/Payroll Tax, please refer to our [webpage](#) as well as the State's website [WA Cares Fund website](#). You can also reach out to the Benefits Office at [benefits@cityoftacoma.org](mailto:benefits@cityoftacoma.org) or at 253-573-2345.