

From: [HR Benefits Office](#)
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Subject: New State Long-Term Care Payroll Tax Will Start For Some Employees in Paychecks on July 7, 2023
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New State Long-Term Care Payroll Tax Will Start For Some Employees in Paychecks on July 7, 2023

Beginning in 2021, employees received communications via email and regular mail to their home addresses regarding Washington State’s new long-term care legislation (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 beginning with paychecks issued on or after July 1, 2023. **For City of Tacoma employees who have not opted out of the program, the first paycheck which will include the long-term care tax will be paid on Friday, July 7, 2023, which will include wages earned from June 19 – July 2, 2023.**

Exemption to Opt-Out of the Long-Term Care Payroll Tax

The State provided options for individuals to apply for an exemption and opt-out of the State’s long-term care program and avoid paying the payroll tax. Employees who obtain an approved exemption from the State Employment Security Department (ESD) are required to provide written notification of the exemption to all current and future employers to avoid paying this payroll tax. ESD does not notify the City of this information. City employees must submit the exemption approval letter received from ESD to the City’s Benefits Office via email at benefits@cityoftacoma.org.

Next Steps

The Benefits Office received many ESD long-term care tax exemption approval letters from employees and coordinated with the Payroll Office to ensure those employees will not have the new tax deducted from their paychecks. Any City employees who have not notified the Benefits Office of an exemption, will see the tax applied on the paycheck received on Friday, July 7, 2023.

Can I Still Apply for an Exemption from the State Long-Term Care Payroll Tax?

As of January 1, 2023, the State began accepting applications from certain workers requesting an exemption from the WA Cares Fund and 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 you are eligible and you are interested in opting out of the program, please review the City’s long-term care [webpage](#), and the 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 in 2021
- 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

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 or at 253-573-2345.