



# FREQUENTLY ASKED QUESTIONS

## WA CARES FUND BENEFITS & ELIGIBILITY

### **Q What is Long Term Care Insurance? And the WA Cares Fund?**

A Long term care insurance provides a benefit to help offset the cost of care when you are unable to care for yourself. Often, people end up paying down their savings or depending on family members for financial support to cover the expensive costs of long term care. The WA Cares Fund is a new payroll tax in the state of Washington, designed to provide long-term care support to WA workers when they need it. Washington is the first state in the nation to develop this employee-funded program.

### **Q How much is the payroll tax and when does it start?**

A Beginning January 2022, Washington workers will pay the current rate of \$0.58 per \$100 of earnings via payroll deduction. Every employee contributes. As a general rule of thumb, if you pay the WA Paid Family & Medical Leave tax, you will also pay the WA Cares Fund tax. Exceptions are available if you are part of a tribal entity or self-employed.

### **Q What is my employer's role in the WA Cares Fund?**

A Although this program is administered by ESD, all employers in Washington are required to collect the mandatory payroll deduction from employees and forward these funds to the State of Washington.

### **Q Are all employees required to participate in this new state-mandated program?**

A Yes, all employees of Washington state are required to pay this mandatory payroll deduction. The only exception is for employees who can demonstrate that they have other long-term care insurance.

### **Q What is the benefit amount provided under WA Cares Fund?**

A Beginning January 2025, each person who is eligible to receive the benefit can access services and support up to a lifetime maximum of \$36,500 with no daily limit. Services and support include professional personal care in your home, an assisted living facility, an adult family home, or a nursing home. They can also include equipment and technology needs, home safety evaluations, training and support for paid and unpaid family members who provide care, home-delivered meals, care transition coordination, memory care and more.

### **Q How do I qualify for benefits under the WA Cares Fund?**

A You must be at least 18 years old and a current resident of Washington to receive long-term care benefits. You must also meet the state's vesting schedule for eligibility (see below).

Pending the above, if you need assistance with at least three activities of daily living (ADLs), you are eligible for benefits. Activities include eating, bathing, walking, or moving around in a wheelchair, dressing, getting in and out of a chair and your ability to move around once you are in bed, using the bathroom, managing your medications, personal hygiene, and body care. Triggers for benefits also include cognition and any memory/cognitive impairments that impact your daily life.

### **Q Are there any vesting requirements to be eligible to receive benefits?**

A To qualify for benefits from the WA Cares Fund, you must have worked and contributed to the fund for:

- At least ten years at any point in your life without a break of five or more years within those ten years, or
- Three of the last six years *at the time you apply for the benefit*, AND
- At least 500 hours per year during those years.

**Q Is this payroll tax mandatory?**

A Not for all employees. If you are self-employed you are automatically excluded; however, you have the option to opt-in to the WA Cares Fund tax. Your contribution would be the same (\$0.58 per \$100 of earnings). Information on how to opt in will be released at a later date on the WA Cares Fund site here: <http://www.wacaresfund.wa.gov/self-employed-opt-in/>.

If you are not self-employed and would like the opportunity to opt out, you have a one-time window to do so in 2021. Workers who hold existing long-term care insurance or purchase a new private policy prior to November 1, 2021 can apply for an exemption from WA Cares coverage. If approved, your exemption will mean that you aren't required to pay premiums and will be *permanently* excluded from WA Care benefits.

**Q What kind of private policy will qualify me to opt out of the WA Cares Fund?**

A The Office of the Insurance Commissioner (OIC) has defined criteria that private policies must meet to qualify. That criteria can be found here: <https://www.insurance.wa.gov/what-qualifies-long-term-care-insurance>. Both standalone policies and long-term care riders on a life insurance policy may qualify. The state has not implemented any minimum plan designs or required time frame for the private policy to be in place in order to opt out. However, it must have been purchased prior to November 1, 2021 to qualify.

**Q I have more questions, where can I learn more?**

A The state is continuously updating their website as information becomes available around ongoing processes, common FAQs, etc. It can be accessed at <http://www.wacaresfund.wa.gov/>.

## **TRUSTMARK PLAN**

**Q How does the employer-offered Trustmark plan differ from the WA Cares Fund?**

A Trustmark offers a Universal Life plan with a long-term care rider. An employee elects a death benefit amount for their life insurance policy and the long-term care rider would provide a monthly benefit at 4% of the death benefit. For example, if you elect a \$100,000 death benefit, you would receive 4%, or \$4,000, per month in long-term care benefits. The duration of benefits is dependent on your policy and other provisions may apply.

Compared to the WA Cares Fund, the Trustmark policy:

- Includes both a death benefit and long-term care benefits, whereas the WA Cares Fund only pays a benefit if you need long-term care services.
- Offers coverage at a fixed age-rated premium, whereas the WA Cares Fund tax rate could increase in the coming years and your personal premium amount will increase based on any wage increases you receive.
- Includes portability provision, which means you can access the benefits wherever you need long-term care in the US, whereas the WA Cares Fund is only payable if you need services in WA state.
- Only requires a loss of two out of six ADLs OR cognitive impairment, whereas the WA Cares Fund requires three out of ten ADLs.

**Q Does the employer-offered Trustmark plan qualify for an opt-out?**

A Yes, Trustmark is an OIC-licensed provider and their long-term care rider qualifies under the OIC criteria referenced by the WA Cares Fund. There is no minimum plan design required in order to meet this criteria.

## **NEXT STEPS**

**Q I have my own policy – how do I opt out of the state plan?**

A Applications for exemption will be available in October 2021 via the WA Employment Security Department (ESD) [website](#). The last day to apply for an exemption is December 31, 2022. Exemptions are permanent and you cannot opt back in at a later date. Once you have an approved application, you must supply a copy of your approval letter to all current and future employers to avoid having premiums withdrawn from your wages.

**Q Will there be another opt-out period later?**

A No. The ESD can only accept applications for exemption from October 1, 2021 through December 31, 2022.

**Q I've opted out – will I need to re-apply annually?**

A No. Once your exemption is approved with the WA ESD, you don't need to reapply. You'll be permanently excluded from coverage and benefits—even if you cancel your private insurance policy in the future.

**Q I'd prefer to pay into the WA Cares Fund and be eligible for their benefit – is there anything I need to do?**

A If you would like to stay enrolled in the state plan and not purchase private LTC benefits – you're good to go! No further action is required and payroll deductions will begin on January 1, 2022.

*Information provided is current as of August 16, 2021. For up to date information, please visit <http://www.wacaresfund.wa.gov/>.*