**Announcement – RE: WA Long-Term Care Trust Act**

On Wednesday April 21st, Governor Jay Inslee signed a bill to start a new excise tax beginning January 1, 2022 to fund residents of Washington for care at nursing facilities, residential settings like assisted living and adult family homes, professional caregiving like home health care, wheelchair ramps, emergency alert devices, medication reminders, training for family, Meals on Wheels, rides to doctor appointments, dementia education, caregiver support, care coordination. Here are a couple more details;

**WHAT IS IT?**

* Long-Term Services & Supports ("LTSS") benefit which is publicly funded by a 0.58% payroll tax on all employee wages and remuneration. Here is an example of the payroll tax -

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| **WA State LTC Trust Act** | |
| Annual Salary | Annual Payroll Tax |
| $50,000 | $290 |
| $100,000 | $580 |

* Benefit is vested by individuals who work a minimum of 500-hrs/yr who pay premiums for at least 10 years (without a break of 5 consecutive years) OR who pay premiums for 3 of the last 6 years.

**HOW DOES IT WORK?**

* Benefits are paid in $100 "stackable" units, up to a $36,500 lifetime maximum.
* Beneficiaries must need assistance with a minimum of 3 of 10 Activities of Daily Living ("ADLs"): medication management, personal hygiene, eating, toileting, transferring, body care, bathing, ambulation/mobility, dressing, and cognitive impairment.
* Providers must be on a Dept of Social and Health Services-approved list.

**WHO?**

* Mandatory for all W-2 employees in Washington State over the age of 18.
* Only Washington residents can qualify for the benefits. Residents who move out of the state for more than 5 years forfeit both benefits and premiums.
* Owners of private LTC insurance may "opt-out" of the program permanently by applying for an exemption between October 1st, 2021 and December 31st, 2022.

**WHEN?**

* First payroll *deductions begin January 1, 2022,* unless an opt out is received by HR from the employee between October 2021-December 2021.
* First claim for *benefits can begin January 1, 2025.*

**OPTING OUT**

* There is only one opportunity to opt out from the tax beginning January 1, 2022. To opt out an employee must attain long-term care (LTC) coverage with an effective date of November 1, 2021, receive approval from the state that the coverage qualifies for the opt out and submit the approval to HR by 12/31/2021. (Company Name) is responsible for collecting the tax and submitting to the state on your behalf. Approval submissions after 12/31/2021 will not be accepted and the tax will be collected.