

WA CARES FUND (Long-Term Care)

QUESTIONS & ANSWERS

With the [joint announcement](#) from the Governor and Speaker of the House on Friday the 17th, many questions are being asked.

- 1. Should employers not take deductions from employee paychecks in January 2022 for the WA Cares Fund tax?**
PROBABLY FOR JAN, FEB, AND MARCH - The state is recommending that employers not take deductions at least through the legislative session of 2022. This would be for January, February, and March of 2022. They have stated that an employer will not be penalized for not collecting the tax during that time.
- 2. Does this mean that the tax is being delayed until at least 4/1/2022?**
PROBABLY - The implication is that the tax will be delayed and will not be effective until 4/1/2022 at the earliest. However, be aware that any delay must be approved by the legislature.
- 3. Will the WA Cares Fund be repealed?**
NO - The delay in tax collection is not a repeal of the program. The Democratic caucus has continued to reiterate their support of the WA Cares Fund and the need for this program in Washington State.
- 4. What will the legislature be looking at to change in this legislative session?**
The legislature will be looking at the recommendations of the Long Term Care Support & Services (LTSS) Commission, which include changes to better serve:
 - a. Military spouses (affects 61,000 individuals)
 - b. Non-residents of Washington (affects 200,000 individuals)
 - c. Disabled veterans (exempt those with a 70% to 100% service-connected disability)
 - d. Near retirees (recommending to allow them to continue paying into the program)
- 5. Can I terminate my insurance policy now that I have my approval from the state to opt out?**
NO - We do not recommend that anyone terminate their insurance policy. The LTSS Commission is also recommending that the law be changed to require "re-attestation" every one to three years. This would require individuals to prove they have kept their long-term care coverage. **The LTSS Commission is recommending that anyone who drops their coverage be placed back on the WA Cares Fund program.**
- 6. Is the state going to provide another opt-out period?**
MOST LIKELY NOT - It is highly unlikely that the state will allow another opt-out period. There are already over 500,000 individuals who have applied to opt out. In the original actuarial studies, the more individuals who opt out, the higher the tax rate will need to be:
 - a. Current baseline tax is set at 0.58% of W-2 wages
 - b. If 150,000 opt out, tax would need to increase to 0.66%
 - c. If 1.5 million opt out, tax would need to increase to 0.69%
- 7. With so many people opting out of the state plan, will the tax increase?**
MOST LIKELY YES - It is highly likely that the tax will increase in future years not only due to the number of those opting out as well as medical inflation. Delaying the start of the tax collection will also increase the probability of a needed tax rate hike. Only the legislature can vote to change the tax level.
- 8. Where can I find more information about the changes the LTSS Commission is recommending to the legislature for the 2022 session?**
Here is a [link](#) to the LTSS Commission's draft report that will be provided to the legislature in early January.