



WA CARES FUND CONTRIBUTIONS

In 2019, Washington state enacted a [long-term care insurance program](#), the Long-Term Services and Supports (LTSS) Trust Act, which will be funded by an employee payroll premium. In 2022, the Legislature made key improvements to the program and shifted the timeline for implementation.

Beginning **July 1, 2023**, the program mandates Washington based employees to pay a payroll tax of 0.58% of payroll (alternatively, \$0.58 per \$100 of earnings). The employee is responsible for paying the premium for this payroll tax, employers don't pay any share of WA Cares contributions for their employees.

Beginning in July 2026, access to services and support will be available for everyone who is eligible to receive the benefit. To qualify for the benefits, employees must have paid the premium working at least 500 hours per year for 3 of the previous 6 years in which they are seeking the benefit, or for a total of 10 years with at least 5 years paid without interruption. The employee must also be a current Washington resident and need assistance with at least three activities of daily living (e.g.: medication management, personal hygiene, eating, etc.). Additionally, people who are near retirement earn partial benefits for each year they work.

Some employees may be exempt from the payroll tax if they applied for and were approved for an exemption. Employees may be exempt if they:

- Live outside of Washington.
- Are the spouse or registered domestic partner of an active-duty service member of the United States armed forces.
- Are veterans with a 70% service-connected disability rating or higher.
- Had private long-term care insurance on or before Nov. 1, 2021, and applied for an exemption during the opt-out period between Oct. 1, 2021, and Dec. 31, 2022 (this opt-out provision is no longer available).

Exemptions became available on an ongoing basis on Jan. 1, 2023, and employees can find more information about applying for an exemption by going to the [WA Cares Fund website](#).

If an employee's exemption is approved, they will receive an exemption approval letter from the ESD, which must be presented to all current and future employers to avoid having the premium withheld. Exemptions will take effect the quarter after the exemption is approved.



For Employers:

As an employer, some things you can do to prepare your employees and your business for the upcoming tax are:

- Prepare to collect and remit the payroll tax beginning July 1, 2023
- Review the [Employers](#) section of the WA Cares Fund website for information on calculating and collecting premiums, and tracking employee exemptions.
- Employers with unions may also want to notify the union(s) that they are complying with the law.
- Employers should contact their payroll or tax advisor with any questions about this law.