



WA Cares Fund

LONG TERM CARE TAX BEGINS JANUARY 1, 2022

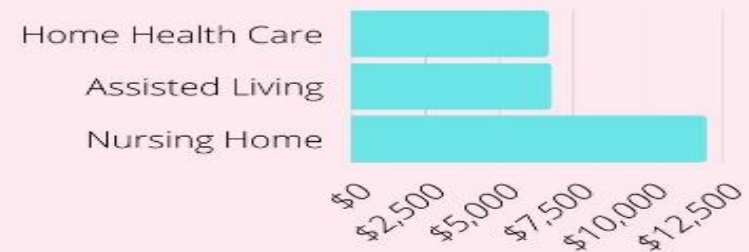
Why the tax?

Long Term Care Dilemma



7 in 10 of us will need long term care during our lifetimes

Monthly Cost of Long Term Care



Assets you can keep to access Medicaid



Tax Amount

- ▶ .58% of Wages
 - ▶ Lifetime cost for a person working 35 years making \$50k/year would be \$10,000
- ▶ Tax re-evaluated every 2 years and can be adjusted down or back up to the .58%
- ▶ Legislature **could** vote to increase tax above .58%

Benefit Amount

- ▶ Lifetime benefit of \$36,500
 - ▶ Daily Benefit hasn't been defined

Benefit will be adjusted annually based on
the Washington CPI

Eligibility

- ▶ Work a total of 10 years without interruption of 5 or more consecutive years
- ▶ Work at least 500 hours during each of the 10 years
- ▶ Need to be living in Washington at the time receiving benefits

For people who find themselves needing long term care in the near future:

They have had to work 3 of the last 6 years at the time they apply for the benefit

Exemptions

- ▶ Self-employed individuals are exempt but can opt-in
- ▶ Definition of self-employed:
 - ▶ A sole proprietor
 - ▶ A joint venturer or a member of a partnership
 - ▶ A member of a limited liability company (LLC)
 - ▶ An independent contractor [\(as described in RCW 50A.05.010 \(8\) \(b\) \(iii\).](#)
 - ▶ Otherwise in business for yourself.
- ▶ If you work for your company and receive a W-2, you are NOT considered self-employed and will be automatically enrolled unless you opt out
- ▶ Once opted-in, you can't opt out

Exemptions

- ▶ People can apply for an exemption by having a group or individual Long Term Care policy, or a life insurance policy with a rider that provide Long Term Care benefits
 - ▶ Policy must be in place before **November 1, 2021**
 - ▶ No minimum coverage defined
 - ▶ Must apply for the exemption with the State

Once you opt out, you cannot opt back in

What are your options

- ▶ Pay the .58% tax
- ▶ Talk to your insurance agent
 - ▶ If you are over 40 you can look at Long Term Care policy or :
 - ▶ Many insurance companies offer life insurance with a rider specifically for LTC

Additional Questions?

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