



The Episcopal Diocese of Olympia

The Episcopal Church in Western Washington

www.ecww.org

WA Cares Fund – Long Term Care Benefits – Employer Responsibilities

Washington State adopts a mandated payroll tax to pay for long term care benefits

Washington state is the first in the nation to adopt a state-run long-term services and support (LTSS) trust program, known as the WA Cares Fund. The Washington State Legislature passed legislation and in 2019 Governor Inslee signed [SB1323](#) amending [RCW 50B.04](#) to provide for this program. The intent of the LTSS is to begin to address the potential long-term care needs of Washington residents. Each year more and more people over the age of 65 will need some sort of support service.

What is long-term care? What is long term-care insurance?

Long-term care includes a variety of services designed to meet a person's health or personal care needs during a short or long period of time. These services assist people unable to perform everyday activities on their own, such as bathing, dressing, and cooking meals. Long-term care insurance provides the means to cover part or all of the cost for such services.

Who is subject to this new tax?

All private and public employers with a Washington employee, except for the federal government and federal tribes, must collect the new tax. This means that most employees in the state must pay the new tax.

How will this program be funded?

1. Starting 1/1/2022 all W-2 employees in Washington will begin paying a payroll tax of \$0.58 per \$100 of earnings.
2. Based on the mid-point of E on our clergy salary scale - \$80,928 in annual earnings, the tax would be \$469 per year (\$80,928 x 0.0058).
3. The tax is paid through the payroll tax system.
4. The tax is paid entirely by employee contributions; no employer contributions are required.

Collecting premiums

As a Washington employer, you are required to report your employees' wages and hours and pay premiums every quarter—unless you had no payroll expenses during that quarter. Beginning Jan.

1, 2022, you will collect premiums from your employees the same way you do now for Paid Family & Medical Leave. Employers will not pay any share of these contributions for their employees.

1. No payroll? No report. You do not have to file a report for quarters where your employees had no hours worked or wages.
2. Need more info on reporting? Check out this [helpful info](#) from Paid Family and Medical Leave. WA Cares reporting will be fully integrated for your convenience.

Tracking employee exemptions

Exemptions are permanent and employees may never opt back in, even if they change jobs. Still, some employees may choose to apply for an exemption, and it's their responsibility to apply individually. If approved, they are also responsible to provide you with a copy of their approval letter from the Employment Security Department (ESD). If you receive an employee's exemption approval letter from ESD:

- Before 1/1/2022, employers must not begin WA Cares premium deductions from an employee's paycheck.
- After 1/1/2022, employers must discontinue an employee's WA Cares premium deduction at the beginning of the next quarter.

Employers are required to keep a copy of their workers' approval letters on file. Learn more about [exemptions](#).

Continuation of long-term care insurance

Employees have the responsibility to decide whether to apply for an exemption. An employer cannot apply for exemptions on behalf of its employees. Check out the [Employer Toolkit Poster/Flyer](#).