WA Cares Fund
(Long-Term Services and Supports Trust Program)

The WA Cares Fund is a state-run long-term care insurance benefit where eligible individuals can access a lifetime benefit of $36,500 (adjusted annually for inflation). The benefit can be used on a wide range of long-term services and supports. Workers contribute $0.58 per $100 of earnings through payroll deduction beginning January 1, 2022. The collected premiums go into a dedicated trust fund that can only be used for this program. Self-employed individuals and federally recognized tribes may elect coverage. People who have met the contribution requirements and have a need for long-term services and supports may begin applying for benefits in January of 2025.

The WA Cares Fund is an affordable long-term care insurance program that allows eligible Washingtonians to choose how, where, and when we receive long-term services and supports when we need them. Long-term services and supports accounted for over 6.3% of the state budget over the past two years. The WA Cares Fund benefit, according to actuarial estimates, could result in Medicaid savings of over $1.9 billion from 2025 to 2052.

Program Overview

Employer responsibilities

- Employers collect 0.58% premium from workers’ paychecks beginning January 1, 2022
  - Premiums are not collected from employees who have provided their approved exemption letter to their employer(s). Letters indicate the effective date of the exemption.
- Employers submit quarterly wage reports and premiums to ESD

Elective coverage

- Self-employed individuals may elect coverage
- Federally recognized tribes may elect coverage and subsequently opt out for any reason the tribe deems necessary
Exemptions

- Individuals who have private long-term care insurance in place prior to November 1, 2021 may apply to ESD for a permanent exemption.
- Exemption applications are accepted from October 1, 2021 through December 31, 2022
- Employees must provide their approved exemption letter to employers

Participation exclusions

- Employees of the federal government are not included in the program
- If a federal employee also has non-federal employment, earnings from the non-federal employment are subject to participation
- Employees covered by a collective bargaining agreement in existence on or before October 19, 2017 don’t have to participate unless the agreement has been reopened or renegotiated after that date (aligns with Paid Family and Medical Leave requirement)

Vesting (qualified individual)

Individuals are vested in the program by:

- Working and contributing at least ten years without a break of five or more consecutive years (permanently vested); or
- Working and contributing three of the last six years from the date of application for benefits (temporarily vested).
- For either of the above options, a year must have at least 500 hours of work reported to count toward vesting.

Benefit eligibility

- Beginning January 1, 2025, individuals who have met vesting requirements may apply to the Department of Social and Health Services (DSHS) to receive benefits
- Individuals may receive the benefit if they need assistance with at least three activities of daily living
- Individuals receiving the benefit must reside in Washington

Agencies responsible for implementation and administration

- The Department of Social and Health Services (DSHS) is the lead agency and processes applications, performs care assessments, manages providers, and determines eligibility
- The Health Care Authority (HCA) pays providers and tracks lifetime benefit usage
- The Employment Security Department (ESD) collects premiums and wage reports, determines vesting status, processes exemption applications, and processes elective coverage requests from self-employed individuals and tribes.
- The Office of the State Actuary (OSA) provides actuarial analysis to assess ongoing trust fund solvency.

**Premium rate**
- 0.58% ($0.58 for every $100 of earnings) of employee wages
- Employers do not pay a share of the premium as they do for Paid Family and Medical Leave
- The premium rate is set by the Pension Funding Council at the lowest amount necessary to maintain fund solvency, and at no greater than 0.58%
- OSA must perform a biennial actuarial audit and valuation of the fund and make recommendations to the Pension Funding Council
- Any increase above 0.58% must be done by the legislature with additional notification requirements to qualified individuals.

**Benefit amount and services offered**
- $36,500 lifetime benefit per person adjusted annually for inflation
- There is no limit on the number of “benefit units” individuals may use per day
- Long-term services and supports services are flexible and may include, but are not limited to, assistance with bathing, eating, dressing, medication and appointment reminders, meal delivery, transportation, home modifications, etc.

**Exemption application data**
As of December 7, 2021, ESD has received:
- 440,179 requests for exemption.
- 87.3% of applications have been processed
- 380,012 requests have been approved

**Learn more**
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