Resources for Washington businesses

Gain important insights about SharedWork and WA Cares (long-term services and supports) programs for a competitive workforce advantage!

**Wednesday, April 6, 2022**
**11:50 AM - 12:55 PM**

*SharedWork and WA Cares (long-term services and supports)*

Welcome
In a survey of past employers using the SharedWork program:

- 97% SharedWork improved employee morale.
- 98% the program helped retain skilled workers.
- 99% would recommend SharedWork to another employer.
SharedWork award-winning video

Preview video at SharedWork website:
www.esd.wa.gov/sharedwork
SharedWork Requirements

**Employer Requirements for SharedWork:**

1. Must be a legally registered business in Washington state.
2. Must have an Employment Security Department (ESD) number.
3. Must have at least two permanent employees, who are not corporate officers, affected by a reduction in hours and wages.
4. Continue to provide same benefits to employees.

**Employee Requirements for SharedWork:**

1. Employee must qualify for a valid claim. (680 hours)
2. All permanent employees may participate in SharedWork.
3. Be able and available for all scheduled hours by SharedWork employer.
Scenario: 20 percent payroll reduction

**Without SharedWork**
- 8 employees laid off
- 32 employees full-time

<table>
<thead>
<tr>
<th>Hours worked</th>
<th>Weekly Benefit (Unemployment Insurance)</th>
<th>Weekly Wage</th>
<th>Weekly Income without SharedWork</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>$400</td>
<td>$0</td>
<td>$400</td>
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</tbody>
</table>

**Average Weekly Income** (before reduction): $800
- $20 x 40 hrs

**With SharedWork**
- 40 employees working 20% fewer hours.

<table>
<thead>
<tr>
<th>Hours worked (reduced by 20%)</th>
<th>Weekly Benefit (Unemployment Insurance)</th>
<th>Weekly Wage</th>
<th>Weekly Income with SharedWork</th>
</tr>
</thead>
<tbody>
<tr>
<td>32</td>
<td>$80</td>
<td>$640</td>
<td>$720</td>
</tr>
<tr>
<td>24</td>
<td>$60</td>
<td>$480</td>
<td>$540</td>
</tr>
</tbody>
</table>

**Average Weekly Income** (before reduction): $800
- $20 x 40 hrs

**Weekly Benefit** (Unemployment Insurance): $400
- $0

**Weekly Wage**: $800
- $0
The employer calls SharedWork at 800-752-2500 option 3 to check business eligibility.

1. The employer assigns a SharedWork representative and submits an Employer Plan Application and a Participant List.

2. Once the employer plan is approved, each participant submits an Employee Application and begins filing weekly claims.

3. The employee receives earned wages and a share of unemployment insurance benefits when hours are reduced.

4. The employer representative checks the weekly SharedWork Payments Report for accuracy.
“At times you may need to reduce hours or get assistance with payroll while adjusting your business to the economy. Our employees have been very excited to keep their job and maintain their income with the SharedWork program, and we have been excited to keep our skilled, trained workers. SharedWork helps us to keep running our business full speed.”

Sharon Grant, O’Ryan Industries

“Client care has ebbed and flowed based on the pandemic, and Shared Work has given us the flexibility to take care of our staff, while saving payroll when there isn’t enough work – (as a non-profit, this is especially important!)”

Michael LaTour, Associate Director

"Our employees are thankful we used it, and happy they do not have to draw full unemployment. There are so many advantages to SharedWork. We do not know what the future will bring. Get approved for SharedWork!“

Erica Baldridge, Director of Human Resources

“What felt like the right thing for our employees was not just to pick five or ten of our newest employees and let them go because of the pandemic ... and so SharedWork saved us!”

Erica Baldridge, Director of Human Resources
Employers can verify their eligibility in minutes and get answers by calling 800-752-2500 and choosing Option 3.

800-752-2500
8am to 4pm, Monday through Friday

Option 1 – Claims
Option 2 – Existing Plans
Option 3 – New Plan Inquiry
Option 4 – I was asked to call sharedworkplansect@esd.wa.gov

More ways to learn about SharedWork

• Watch a commercial by clicking here.
• The SharedWork program will be hosting many regional and statewide free virtual events for employers in Washington. Check out our event lineup: esd.wa.gov/SharedWork/events
• The SharedWork program will be hosting weekly webinars through the year end to help businesses get informed. Wednesdays 8:15 am SharedWork Q&A for businesses. Click here to register.
• Download the SharedWork info card by clicking here.
Why WA Cares?
What you need to know about WA Cares

Why do we exist?

So Washingtonians can care for themselves and the people they love.

What do we do?

Support employees and employers so that they can maintain economic stability and peace of mind in challenging times.
2019

SSHB 1087 passes
ESD Collects Premiums
DSHS Administers Benefit
HCA Tracks Lifetime Benefit
State Actuary Performs Actuarial Audit Functions

2020

ESD Agency Request Legislation SSB 6267 passes

2021

HB 1323 passes
ESD begins accepting exemptions applications for individuals with private LTC insurance (Oct. 1, 2021 through Dec. 31, 2022)

2022

SHB 1732 and ESHB 1733 pass
Delays WA Cares implementation by 18 months
Delays benefit availability by 18 months
Adds prorated benefit for individuals born prior to Jan. 1, 1968
Adds four types of voluntary exemptions

2023

Employers begin deducting premiums from employee wages on July 1

2026

Benefit becomes available for eligible beneficiaries on July 1
A Good Thing for Washington’s Aging Population

- Long term care needs are growing as Washingtonians age
- Families are less able to meet long-term cares needs of loved ones

Source: Washington State Department of Social and Health Services, Research and Data Analysis Division
The cost of long-term care

Long-Term Care is predictable and expensive

- 70% of those turning 65 today will need long-term care
- Annual cost of home care: $33k to $66k (20-40 hours/week)

Most Seniors can’t afford long-term care

- Among Washington seniors:
  - Median household income: $56,000
  - Half have no 401(k) or pension income
How WA Cares supports Washington families

**Affordability**
- For the first time, long-term care insurance is affordable for all working Washingtonians

**Peace of Mind**
- We know we will have access to care when we need it later in life, reducing the emotional and financial stress on family relationships

**Choice**
- We choose who provides our care and where we receive it
How the benefit works
How the benefit works

- Each eligible beneficiary can access services and supports costing up to $36,500

- The benefit can be used for a range of services and supports, such as:
  - Professional care
  - Rides to the doctor
  - Home-delivered meals
  - Training family caregivers
  - Adaptive equipment and technology
  - Home safety evaluations
How the benefit works

Vesting and eligibility

• To meet vesting criteria, you must have earned your WA Cares benefit by working and contributing:
  • At least ten years at any point in your life without a break of five or more years within those ten years, or
  • Three of the last six years
  • And at least 500 hours per year during those years

Prorated benefits – added to the law in 2022

• Individuals born before January 1, 1968, and who don’t meet the above vesting requirements may receive one tenth of the benefit for each year they have worked at least 500 hours and contributed to the fund

To be eligible for benefits, you must require assistance with at least three activities of daily living.
Exemptions
Exemption types

Four new voluntary exemption opportunities were added to the law following legislation that passed this year (SHB 1733). The new exemption opportunities are for:

- Veterans with a 70% or greater service-connected disability
- Spouses or registered domestic partners of an active-duty service member
- Nonimmigrant visa holders
- Employees who maintain primary residence outside of Washington

These new exemption types are in addition to the existing exemption for individuals who have their own private long-term care insurance.
Exemption – Private long-term care insurance

This exemption is for workers who have their own private long-term care insurance.

It’s permanent — If approved, workers won't have premiums assessed and will forfeit their right to the benefit for life.

Workers must apply for this exemption. Employers cannot apply on behalf of their employees.

• Key dates for exemption applications:
  • By Nov. 1, 2021: Have a qualifying private long-term care insurance policy
  • Oct. 1, 2021–Dec. 31, 2022: Apply to ESD for an exemption

No changes were made to this exemption type during the 2022 legislative session.
Exemption – Veterans who have a 70% or greater service-connected disability rating

This exemption is for workers who have been rated by the Department of Veterans Affairs as having a service-connected disability of 70% or greater.

It’s permanent - If approved, workers won't have premiums assessed and will forfeit their right to the benefit for life.

Workers must apply for this exemption. Employers cannot apply on behalf of their employees.

Applications will be available beginning January 1, 2023 and will be ongoing.
Exemption – Spouses or registered domestic partners of active-duty service members

This exemption is for workers who are spouses or registered domestic partners of active-duty service members, whether or not deployed or stationed within or outside of Washington.

It’s conditional - Individuals will no longer qualify for this exemption if either of the following occurs:
- Discharge or separation from military service of the employee’s spouse or registered domestic partner; or
- Upon the dissolution of the employee’s marriage or domestic partnership with the active-duty service member.

Workers must apply for this exemption. Employers cannot apply on behalf of their employees.

Applications will be available beginning January 1, 2023 and will be ongoing.
Exemption – Employees who hold nonimmigrant work visas and are employed in Washington

This exemption is for workers who are not permanent residents or citizens and who hold a nonimmigrant work visa.

It’s conditional - Workers will no longer qualify for this exemption upon becoming a permanent resident or citizen.

Workers must apply for this exemption. Employers cannot apply on behalf of their employees. Applications will be available beginning January 1, 2023 and will be ongoing.
Exemption – Employees who are employed by a Washington employer but maintain a permanent primary residence outside of Washington

This exemption is for workers who work for a Washington employer and whose primary residence is outside of Washington.

It’s conditional - Workers will no longer qualify for this exemption upon establishing a permanent address as a primary residence in Washington.

Workers must apply for this exemption. Employers cannot apply on behalf of their employees.

Applications will be available beginning January 1, 2023 and will be ongoing.
Requirements for all exemption types

• Employees must provide notification of their exemption to all current and future employers.
• The only acceptable notification is a copy of the employee's approved exemption letter from ESD.
• Employers must maintain a copy of the employee's approved exemption letter.
• Employers should not collect premiums from exempt employees who have provided the approved exemption letter.
• Employees are not entitled to a refund of premiums that were assessed before their exemption was approved or before the approved exemption letter was provided to their employer.
## Comparison of exemption types

<table>
<thead>
<tr>
<th>Exemption type</th>
<th>Application Dates</th>
<th>Permanent or Conditional</th>
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<tbody>
<tr>
<td>Employees with private long-term care insurance</td>
<td>October 1, 2021 through December 31, 2022</td>
<td>Permanent</td>
</tr>
<tr>
<td>Veterans with 70% or greater service-connected disability</td>
<td>January 1, 2023 – ongoing</td>
<td>Permanent</td>
</tr>
<tr>
<td>Spouses or registered domestic partners of active-duty service members</td>
<td>January 1, 2023 – ongoing</td>
<td>Conditional</td>
</tr>
<tr>
<td>Employees who hold nonimmigrant work visas</td>
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<tr>
<td>Employees whose primary residence is outside of Washington</td>
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Conditional exemptions

Three exemption types are required to be cancelled if the conditions qualifying the employee for the exemption no longer exist.

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<tr>
<th>Exemption type</th>
<th>Conditions for cancelling an exemption</th>
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<td>Spouses or registered domestic partners of active-duty service members</td>
<td>1. Discharge or separation from military service of the employee’s spouse or registered domestic partner; or 2. Upon the dissolution of the employee’s marriage or domestic partnership with the active-duty service member</td>
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<tr>
<td>Employees who hold nonimmigrant work visas</td>
<td>Becoming a permanent resident or citizen</td>
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<tr>
<td>Employees whose primary residence is outside of Washington</td>
<td>Establishing a primary residence in Washington</td>
</tr>
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Requirements for cancelling conditional exemptions

Within 90 days of the event that no longer qualifies the employee for an exemption, the employee must:

• Notify ESD that the exemption must be discontinued; and
• Notify their employer(s) that they are no longer exempt and that the employer must begin collecting premiums.

If the employee fails to pay premiums within 90 days of the exemption cancellation event, the employee is required to pay any unpaid premiums, with interest of one percent per month, directly to ESD.
Employer Reporting
What employers need to know about WA Cares

Employers don’t contribute but will:
- Collect premiums beginning July 1, 2023
- Report and pay premiums to ESD
  - Definitions of employer, employee and remuneration are consistent with Paid Leave
  - Definition of wages also applies, excluding the social security tax cap, which does not apply

Self-employed earners can opt-in
What employers need to know about WA Cares

Employee Premiums

- Employees contribute 0.58 percent of wages
- Premiums go into a dedicated Trust Fund that can only be used for WA Cares
- No Social Security cap
ESD is updating the Paid Leave reporting system to include WA Cares

- Many similarities between the programs:
  - Employee, Employer, Employment, Wages (with exception of the social security cap)
  - Employers deduct premiums, report, and pay these premiums to ESD
  - Self-employed and federally recognized tribes can elect coverage
  - Employees covered by a CBA in existence on or before Oct. 19, 2017, don’t have to participate unless the CBA has been reopened or renegotiated after that date
  - To the extent possible, investigations for premium compliance will be the same
How WA Cares differs from Paid Leave

• WA Cares benefits serve a different purpose
• No employer contribution
• Premium amounts
• No Social Security wage cap on premium collection
• Self-employed elective coverage has different requirements:
  • Must elect coverage between July 1, 2023, and July 1, 2026, or within three years of becoming self-employed for the first time; and
  • Elective coverage for self-employed individuals is permanent
Cross-Agency Responsibilities

DSHS, ESD, HCA, STATE ACTUARY
- Provide actuarial analysis to support Trust Fund solvency
- Administer exemptions
- Collect premiums and wage reports
- Determine qualified individuals

- Administer benefits
- Manage providers
- Apply for demo waivers

Process payments
Track benefit usage
Coordination of benefits

State Actuary

DSHS

ESD

HCA
Thank You

Janette Benham
Rules Coordinator
Leave and Care Division
janette.benham@esd.wa.gov

To learn more, please visit:
wacaresfund.wa.gov
Open Mic – Q&A
Resources for Washington businesses

Gain important insights about SharedWork and tax and wage requirements for a competitive workforce advantage!

Wednesday, May 4, 2022
11:50 AM - 12:55 PM
SharedWork & Tax and Wage

Next webinar
Thank you!