

# Frequently Asked Questions about WA Cares Fund:

## A long-term care program for Washington Workers

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### Things to know about WA Cares Fund

#### 1. Why WA Cares Fund?

Long-term care is expensive, it is not covered by Medicare and most of us will not have the savings to pay for it. Seven in 10 of us will need long-term care during our lifetimes and most older adults today end up relying on family members to care for them or impoverishing themselves to qualify for Medicaid. The WA Cares Fund will give Washington workers a choice about how we receive care as we age and a way to help pay for it.

WA Cares Fund is a program for **ALL** workers (not just those in public education) in Washington State. Everyone will automatically be enrolled.

#### 2. What does WA Cares Fund provide for qualifying individuals?

Beginning July 2026, each person who is eligible to receive the benefit can access services and supports costing up to \$36,500. This benefit will be adjusted for inflation over time. The benefit can be used for a range of services and supports such as:

- Professional personal care in your home, an assisted living facility, an adult family home or a nursing home
- Adaptive equipment and technology like hearing devices and medication reminder devices
- Memory care
- Environmental modifications like wheelchair ramps
- Personal emergency response system
- Respite for family caregivers
- Transportation
- Dementia supports

#### 3. How is WA Cares and long-term care insurance different from long term disability (LTD)?

Long-term care insurance is to provide support and reimbursement for services and support care when an individual is unable to perform the daily functions of life (dressing, bathing, feeding, mobility, etc.).

Long-term disability insurance is to provide wage replacement benefits when an individual is unable to do the basic function of their job for a long period of time, usually 90 plus days.

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Information in this FAQ is compiled by WEA staff and does not supersede information or answers provided directly from WA Cares Fund. The answers provided are the based on the best information we have at the time. It is intended to help WEA members answer questions they may have about WA Cares. It is not intended to give advice. WA Cares Fund has a website, <http://www.wacaresfund.wa.gov/>, that should also be used for gathering information for individual decision making.

**4. What are the contribution requirements to be eligible for benefits?**

Only individuals who are working in Washington will pay into the WA Cares Fund. To receive benefits, individuals must meet the contribution requirements by working and paying into the fund:

- At least ten years at any point in your life without a break of five or more consecutive years, **or**
- Three of the last six years at the time you apply for the benefit, **and**
- At least 500 hours per year during those years.

For more information on WA Cares Fund premiums, see [RCW 50B.04.080](#) and [RCW 50B.04.085](#).

There is also an opportunity for those who are near retirement to become eligible for a prorated benefit if they do not meet the regular eligibility listed above. Anyone born before January 1, 1968 will now earn 10% of the full benefit for each year they contribute based on 500+ hours of work per year.

Only hours worked in Washington will count towards vesting.

**5. If an employee is not a WA resident (lives in OR or ID), will they still be required to pay this tax when they will not be able to utilize the benefits?**

Yes, at this time all employees of WA companies pay the assessment unless they take the necessary steps to procure an exemption. To apply for an exemption for WA non-residents, visit the [WA cares website](#).

**6. Will the payroll tax percentage also go up with inflation?**

The WA Cares Fund assessment is capped at \$0.58 per \$100 by law ([RCW 50B.04.080](#)). The law does not provide for an increase above this rate without a change by the legislature. The pension funding council can adjust the rate downward if the plan is stable and able to provide the needed resources for all those who are a part of the plan. For the rate to go above \$0.58, a bill would have to pass the legislature.

**7. Is participation in WA Cares Fund required for all workers?**

Yes, all employees in Washington State will be required to participate by this WA Cares Fund by paying a \$0.58 per \$100 in salary assessment. Very limited exemptions available; [more info here](#).

**8. With the WA Cares Fund, what happens when a member goes on unpaid LOA?**

Individuals are only required to pay into the plan while in a paid status with their employer. If an individual goes on an unpaid leave or separates from employment, they will pause earning credit towards being vested and will not be making contributions to the fund.

**9. I am retired, am I eligible to be a part of the WA Cares Fund?**

Only if you are working 500 hours a year in Washington State and meet the contribution or vesting requirements (see question 4). This is a program that only workers pay into so when you retire and your income comes from your pension and retirement savings, you will not pay the WA Funds contribution.

**10. If you plan to retire in less than 10 years, do you still have to pay the assessment despite not being able to become vested?**

Yes, all Washington state employees who do not take the necessary steps to secure an exemption will be required to pay the assessment. While employees who do not work the full 10 years may not be fully vested, they may still have access to benefits should the need arise. If anyone has worked and paid into the plan for at least three years over a six-year period prior to needing to access the benefits, they would be eligible for the full benefit. Also, for those born before January 1, 1968, they can earn a prorated benefit earning 10% of the lifetime benefit amount for each year they contribute and work at least 500+ hours per year. As a reminder, for those who work 500 hours per year in retirement (about 10 hours per week or just over 3 months of full-time work), they can keep accumulating years of service toward this partial vesting or full vesting.

**11. My spouse will not be able to get vested - can I use my benefits for their needs?**

No, this is a program for workers and only covers those that pay into the program. Individuals who are not paying into the program would need to have their own private LTC insurance to get benefits.

**12. Often long-term care insurance has a limit to what they will pay per month, would this have a limit?**

The WA Cares Fund does not have a monthly or daily benefit limit. It does have a life-time benefit limit of \$36,500 which is adjusted for inflation over time.

**13. Is there a minimum out of pocket before the WA Cares Fund begins to pay?**

No, there is no minimum out-of-pocket before WA Cares Fund begins to pay. The law requires that payments be made within 45 days of an eligible beneficiary applying for benefits for qualifying services.

**14. If you pay into WA Cares Fund and move to another state after retiring, will you be able to access the program when you need it?**

At this time, benefits are only available to those who reside in Washington state. The commission is currently working on the developing the operating rules is aware of this challenge and are looking at possible solutions. As new information becomes available, we will continue to update members.

**15. I've applied for private LTC insurance in the past and am not eligible for it. Will I be eligible for the WA Cares Fund?**

Yes, the WA Cares Fund provides affordable long-term care coverage at a predictable cost no matter your age or health conditions. There is no medical review process with the WA Cares Fund.

**16. Will this plan cover us regardless, or only if we pay the tax and meet a set of standards?**

If an individual is not granted an exemption, employers will begin payroll deductions on July 1, 2023. Benefits will not begin to be available until three years later, July 2026. To be eligible to receive the benefit, you must meet the contribution requirements and need assistance with at least three daily living activities (see [www.wacaresfund.wa.gov/applying-for-benefits/](http://www.wacaresfund.wa.gov/applying-for-benefits/) for examples).

**17. I am physically disabled, and I saw somewhere that one would have to "be insurable" to benefit from the LTC plan. Will I qualify for the WA Cares Fund?**

There is no medical insurability requirement in the WA Cares Fund. All who pay into the system for the required time and who later demonstrate a need for long term care services and support will be able to access these benefits.

**18. Are substitutes who are WEA members eligible to enroll?**

All workers, including substitutes, will automatically be enrolled in the WA Cares Fund program unless they have taken the necessary steps to apply and be granted an exemption. In order for the employee to earn a year of credit towards vesting, the individual must work at least 500 hours.

**19. I currently have a private long-term care insurance. Can I also participate in the state plan?**

Yes, as long as you meet the contribution requirements for eligibility you will be able to supplement the WA Cares Fund with your private long-term care insurance.

**20. Is there an age limit or cut-off for people participating?**

All workers who have not been granted an exemption will pay the assessment. It is the employee's responsibility to notify an employer if they have documentation granting the exemption.

Eligibility for benefits is based on meeting the WA Cares Fund contribution requirements and the need for activities of daily living.

**21. What happens if I change employers in the future, do I continue to earn credit towards vesting or does it start over?**

Yes, the WA Cares Fund is portable between employers because it is a statewide program for all workers. If the employee is working at least 500 hours, they will be able to apply the time worked and paid into WA Care Fund towards meeting the contribution requirement. Even if you work after you have retired from your current job as an educator, if you work at least 500 hours, you can earn a year of credit if you are paying into the WA Cares Fund.

However, if an individual opted-out during the October 2021 to December 2022 window, they will not be able to rejoin the WA Cares Fund. In addition, it is the employee's responsibility to notify their employer that they have been granted the exemption and provide them with proper documentation.

**22. Will I be able to access my benefit when I have been retired for more than 10 years? Does the benefit ever expire?**

If you are vested in the WA Cares Fund, you will be able to access the lifetime maximum benefit of \$36,500 no matter how many years have passed since you were working and paying into the trust. If you complete 500 hours of work each year for 10 years and pay into the fund, you will be eligible for the benefit if you meet the need for support and services to complete daily living activities.

You could retire at 60 and not need this support until you were 90 and it would still be available. This is different than how most private LTC plans work where you are required to pay the premiums even when you are not working.

### **23. What does it mean to vested in the WA Cares Fund?**

A year of service is earned by working at least 500 hours and paying into the WA Cares Fund. Vesting occurs once you have paid into the fund for 10 years with at least five years being consecutive. Once you are vested, you will have access to the benefit even if you stop working in Washington State for a long time. The benefit does not expire or go away once you are vested.

Employees who did not opt out during the one-time opt out window in 2021 will be required to pay into the WA Cares Fund anytime they are working unless they [qualify for and apply for an exemption](#). The new exemptions are limited and only apply while the circumstances remain applicable. Exemption categories include:

- Individuals who live outside of Washington,
- Spouses or registered domestic partners of an active-duty service member,
- Individuals with a non-immigrant work visa, or
- Veterans with a 70% service-connected disability rating or higher.

### **24. I already have long-term care insurance. Will I have to change to a new private long-term care provider?**

You will want to confirm that the private insurance works with the state plan. The State plan has already agreed that it will work with other private insurances.

### **25. Don't we have Long-term Care (LTC) insurance through SEBB?**

No, SEBB does not currently provide Long-term Care (LTC) Insurance. What is available through SEBB is Long-term Disability (LTD) insurance which is different and provides a benefit if you cannot work. Long-term care is separate and because WA Cares exists, SEBB has decided to **not** provide long-term Care policies as an option.

### **26. Can we assert a religious objection to opt-out of WA Cares?**

No, there are no religious objections for opting out.

### **27. If we are not able to meet the 10-year vesting period before we retire, can we pay for the additional years to be covered?**

There is not an option to buy additional service credits at this time. The legislature has made a change to the original law to allow for some near retirees be able to receive a partial benefit based on the years and hours worked between July 2023 and their retirement. Anyone born before January 1, 1968 will earn 10% of the lifetime benefit for each year they contribute to the plan for at least 500 hours of work. These near-retirees will have permanent access to that percentage of the lifetime benefit any time that they need care within their lifetime.

In addition, those who are nearing retirement may have access to a full benefit if they have worked and contributed for 500+ hours in three of the last 6 years prior to needing to access this benefit.

### **28. What happens if I never use this benefit?**

Like WA-PFML and other types of insurance, if an individual never has need to use the Long-Term Services and Support program, the money will remain in the fund and pay for others in need of the program. WA Cares is intended to provide an additional resource and support to help bridge the gap for those experiencing life debilitating events. It will not replace the need for individuals to save for care as one ages.

**29. How will the state calculate the number of hours worked for the vesting calculation?**

Employers are required to report wages and hours to the Washington Employment Securities Department. WA ESD uses this information to calculate what benefits individuals are eligible. This includes WA Cares.

**30. How does the state calculate the contribution? Is the \$0.58/\$100 applied pre-tax?**

The contribution is based on total wages earned as defined by WAC 192-910-005. Examples of such wages include but are not limited to salary or hourly wages; cash value of goods or services given in place of money; commissions or piecework; bonuses; cash value of gifts or prizes; holiday pay; paid time off (personal leave or sick leave); severance; and stipends.

Employer paid benefits or supplemental benefits that are not part of the employee's standard compensation are not considered salary for purposes of calculating the WA Care contribution. Contributions will be calculated on gross, pre-tax wages.

**31. Will the \$36,500 benefit from state be taxable under federal income tax?**

No, money from this benefit will not be subject to federal income tax.

**32. I am a veteran; will I be able to opt out?**

Information on exemptions is [available here](#).

**33. How is this different than Social Security, Medicare, or Medicaid?**

**Social Security** is a federal program providing retirement, disability and survivor benefits to wage earners and their family. Eligibility for benefits is based on the wage earner's work history. Pays out even when you are not in need of assistance with activities for daily living.

**Medicare** is a federal health insurance program that provides health care benefits to the following: persons age 65 and older; individuals with certain disabilities that are under the age of 65 years; disabled children of certain wage earners. There are different parts of Medicare to assist with different specific medical services. Requires a hospital stay to be able to have any access to nursing home stay and even then, may not be covered. Often Medicare is supplemented by other health insurance and works in tandem to provide coverage. Does not cover assistance with daily living unless it is directly associated with the need for medical care.

**Medicaid** is a program for low-income and needy people. It provides coverage to children, the aged, and/or disabled, and others who are eligible to receive assistance. It is funded by both federal and state money. Individuals must meet a financial threshold in order to qualify.

**WA Cares** provides a benefit for individuals who have met the contribution requirements and also are in need of assistance with daily living regardless if the individual has been hospitalized or received medical treatment related to the needed assistance. To be eligible individuals must need assistance with at least three activities of daily living. A list of examples can be found on the WA Cares website: <http://www.wacaresfund.wa.gov/applying-for-benefits/>

**34. If I take no action now can I opt-out later if I qualify?**

In limited circumstances, [qualified individuals](#) can apply for exemptions on an ongoing basis.

**35. Are self-employed people eligible for the WA Cares Fund?**

Yes, there is a process for self-employed people to opt into the WA Cares Fund.

**36. What protects the funds collected for WA Cares from being used for other purposes than paying benefits for those who qualify?**

The law specifically states that these funds cannot be used for other things and that the fund must remain self-sufficient.

## Things to know about private long-term care insurance

**A. Can I be enrolled and receive benefits from both the WA Cares Fund and private LTC insurance?**

Yes, WA Cares Fund provides a limited lifetime benefit of \$36,500 adjusted for inflation over time. Many private LTC providers developed plans that will work with the WA Cares Fund to supplement the benefit. We can expect that there may be more of these plans available as the WA Care Fund moves forward. Please consult your plan provider.

**B. What happens if I opted-out of WA Cares Fund and the private LTC plan that I enroll in discontinues my policy?**

If you opted out in the 2021-2022 window by proving you have other long-term care insurance, that opt out is permanent. Should your private coverage end either by your choice or because an insurance provider discontinues the plan option, you will not be able to opt back in.

If you received an exemption after January 1, 2023 for other qualified reasons, the exemption is for only as long as you remain in that qualified group. For example, if you opted out because you live outside of Washington, that exemption would cease if you moved to Washington. In this case, you would rejoin WA Cares based on your status within the exemption, not dependent upon the status of your private LTC plan.

**C. If I stop working in education and am no longer an NEA member, can I still access NEA MB private long-term insurance?**

You need only to be a member upon application for the policy. The coverage goes with you even if your membership ends.

**D. Can we use VEBA to pay for private long-term care insurance premiums?**

You may be able to use VEBA to pay for some LTC insurance if it meets the qualifications under the IRS.

**E. How long will I have to pay for my private long-term care plan to access the benefit?**

You must pay until you are eligible for benefits, even in retirement. While you are receiving benefits from the plan premiums are waived.

## Websites and Links for additional resources

**Overview of the WA Cares Fund:** <http://www.wacaresfund.wa.gov/>

- Washington State - LTSS Supports [one-pager](#)

**NEA Member Benefits LTC Information:** <https://www.neamb.com/products/nea-long-term-care-program>

**RCWs:**

- [RCW 50B.04.085](#) – Exemptions
- [RCW 50B.04.080](#) – Rate Collection