



Opting Out of the WA State Payroll Tax as part of the Washington Long-Term Care Trust Act

In review, what is the Washington Long-Term Care Trust Act?

- A public, state-operated long-term care (LTC) insurance program authorizing payments for in-home care and/or assisted living expenses up to \$36,500
- Beginning January 1, 2022, a new Washington state payroll tax will be deducted from all W-2 employees' wages to fund this public program
- See the Berg Benefits "New Washington State Payroll Tax" flyer for more information

How can I opt-out?

- Opting out is the responsibility of the individual employee working through the Washington State Employment Security Department
- Once opted-out you cannot reapply to participate in the state's program
- If you want to opt-out, you must meet certain criteria:
 - Have completed purchase of private LTC policy no later than November 1, 2021*
 - Submit opt-out documentation during the exemption period from October 1, 2021 – December 31, 2022, and attest you have a private LTC policy
 - Be 18 years or older on the date applying to opt-out

What should I know about private LTC policies?

- Insurance carriers offer LTC policies that are rated based on multiple factors including overall health, age and gender
- Private LTC policies may be more or less expensive than the 0.58% payroll tax
- You can choose a private policy that exceeds the state's maximum benefit of \$36,500
- Private policies may not require the same waiting period as the WA state program (500 hours per year for 10 years with 5 consecutive years of payments)
- Underwriting a private LTC policy can take up to eight weeks

What does this mean for me?

- Begin exploring options for a private LTC policy now because underwriting can take time, and the enrollment deadline on November 1, 2021 has no grace period

Mutual of Omaha LTC policy premium examples

55-year-old male In good health \$89.19/mo	55-year-old female In good health \$128.84/mo	45-year-old male In good health \$67.78/mo	45-year-old female In good health \$97.66/mo
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Berg Benefits, Inc. has a trusted, and vetted LTC insurance advisor ready to help. Contact Brock Baker today for your private LTC needs:

360-434-5780 or brock.baker@thrivent.com

*Eligibility to opt-out of the state's LTC insurance program depends on criteria that has not yet been developed by the state's legislature as of the creation of this form