

The following email has been approved for Citywide Broadcast by the Mayor's Office.

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IMPORTANT: New Payroll Tax for the WA Cares Fund Coming Soon

A new Washington state tax on employee pay is coming in January 2022. Here is what you need to know and where to get more information.

What is happening?

Washington State created a new program called the [WA Cares Fund](#) to provide long-term care insurance benefits for workers. The program will provide eligible individuals up to \$36,500 in lifetime benefits toward certain costs related to long-term care. Much like the Washington State Paid Family and Medical Leave, funding will come from workers in the form of a new payroll tax.

How will it affect me?

Starting January 1, 2022, most employees will be automatically enrolled in the program and begin paying a tax of 58 cents for every \$100 earned (0.58%) via a deduction from their paychecks. There is no cap on taxable earnings. Benefits under the program will first become available January 1, 2025.

Can I opt out?

There is a one-time opportunity to opt out of the program. This choice is permanent. To opt out, employees must have their own long-term care insurance *purchased before November 1, 2021 and* apply to the Employment Security Department (ESD) for an exemption between October 1, 2021, and December 31, 2022. Employees may select an individual long-term care plan through a plan offered by the City of Seattle *or* employees may seek out their own individual plan through the insurance marketplace. Employees who do not purchase alternate coverage will be automatically enrolled in the WA Cares Fund long-term care program permanently with no further opt-out opportunity.

Employee Options:

- Option 1:** **[Default] Take no action and be automatically enrolled** on January 1, 2022 into the WA Cares Fund program through payroll tax deduction.
- Option 2:** **Opt out of the program** by obtaining personal long-term care insurance before November 1, 2021, ***through a City of Seattle facilitated plan***, at the employee's cost and applying with the ESD for an exemption.
- Option 3:** **Opt out of the program** by obtaining personal long-term care insurance before November 1, 2021, ***through other means***, at the employee's cost and applying with the ESD for an exemption.

Where can I get more information?

Click here [FAQ for Employees](#) to access the frequently asked questions document. More information about a City of Seattle facilitated plan will be made available soon. Watch your City email and US Mail for additional information. For detailed information about the WA Cares Fund and the opt-out process, visit www.wacaresfund.wa.gov. State approved long-term care insurance companies can be found at www.insurance.wa.gov.

Managers: Please print, post and forward for staff that do not have access to COS email.