



WASHINGTON STATE LONG TERM CARE TRUST ACT

The Washington Long Term Care Trust Act is designed to provide eligible Washington state residents at time of claim a modest long term care benefit of \$36,500 (\$100/day). This total lifetime benefit will be adjusted annually for inflation at a rate no greater than the Washington state consumer price index.

TRUST MANAGEMENT AND FUNDING

Funding for the plan will come from a new mandatory payroll tax of 0.58% on all W-2 wage earners. Where applicable, the tax is assessed regardless of age or income. The law allows an individual to be exempt from the tax by demonstrating ownership of long term care insurance.

For W-2 employees who do not own long term care policies, the payroll tax is mandatory and will be collected via a direct payroll deduction by the employer and remitted to the Employment Security Department of Washington state. Self-employed individuals have the option to participate voluntarily. The bill created the Long-Term Services and Supports Trust Commission (LTSS), which was established to manage benefit adequacy and financial solvency among several other stated objectives.

BENEFIT ELIGIBILITY

To be eligible for benefits, a Washington state resident must have paid the 0.58% payroll tax for: (a) three of the past six years; or (b) a total of 10 years — five of which must be consecutive.

Benefits may be payable for services provided by licensed caregivers as authorized by the Washington Department of Social and Health Services. After meeting tax payment requirements, a resident that wishes to file a claim must need assistance with at least three activities of daily living. Additional mandatory requirements include a residency provision requiring a claimant to receive care exclusively in the state of Washington.

BILL HISTORY & TIMELINE OF IMPORTANT DATES

- **May 13, 2019** — Bill officially signed into law by Governor Jay Inslee
- **October 1, 2021–December 31, 2022** — Initial window to demonstrate ownership of an eligible long term care insurance coverage to be exempt from payroll tax
- **January 1, 2022** — Formal implementation of law
- **January 1, 2025** — First date for benefit payment eligibility

IMPORTANT NOTE REGARDING EXEMPTION OF THE PAYROLL TAX

Transamerica's interpretation of the exemption related to the definition of long term care insurance, as outlined by the state of Washington, leads us to conclude eligible Transamerica long term care insurance solutions that would allow an individual to be exempt from the payroll tax include:

- *TransCare® II* — multilife worksite
- *TransCare® III* — individually sold
- *Transamerica Financial Foundation IUL®* — when the Long Term Care Rider is in force

RESOURCES

- [Final bill as signed and passed](#)
- [LTSS Commission proposed charter and timeline](#)
- [Revised Code of Washington — pertinent definitions](#)

Learn more.

 Call the Transamerica LTC Sales Desk: **888-545-2713**

Individual Long Term Care insurance policies are underwritten by Transamerica Life Insurance Company, Cedar Rapids, IA; in NY by Transamerica Financial Life Insurance Company, Harrison, NY. Qualifying for benefits required. Product and options not available in all states. Policy features may be named differently depending on state. Exclusions and limitations apply. Policy ICC10 TLC-3, ICC13 TLC-4; Policy Series TLC 2-P 0410, TLC 3-P 0313; or Policy TFL 2-P NY 0410, TFL 2-P NYF 0410, or TFL 2-P NYAF 0410.

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