



WA CARES BASICS

What Workers Need
to Know

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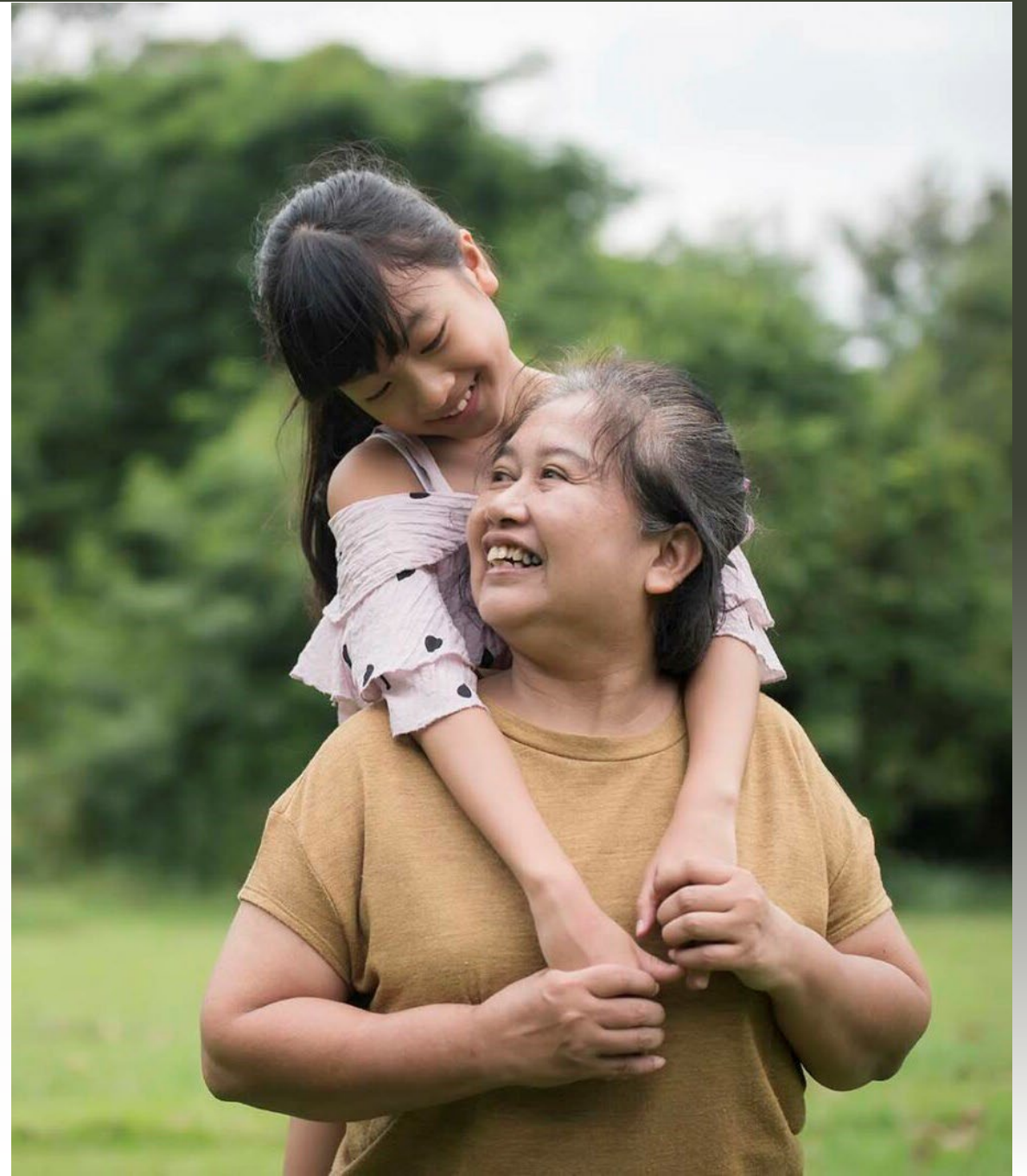
What we'll cover today

The way we pay for long-term care today isn't working

- Impact on people who need care
- Impact on family caregivers
- Impact on workers and the economy

How WA Cares Fund works

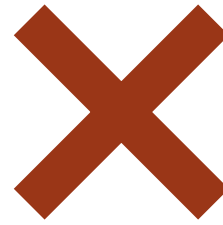
- Contributing to WA Cares
- Qualifying for coverage
- Benefits for near-retirees
- Role of employers



Defining long-term care and caregiving



help with activities
of daily living
like bathing, eating & dressing

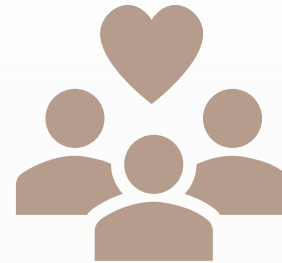


not medical care

like doctor visits & treatment for
medical conditions



paid care from a
professional



help from a
family member
or friend, often unpaid



services & supports provided
in your own home



care provided
in a residential setting
like a nursing home or assisted living

We all have care stories in our families



KD

KD lives with mother-in-law Kathleen, who has multiple sclerosis and needs help with daily activities.

Kathleen gets in-home care from caregivers who help her bathe, dress, exercise and eat. They also provide her with companionship and help her get around the house using her wheelchair or walker.



“

The last thing you want people thinking about in their golden years is money.

We all have care stories in our families



Sally

Sally's partner Patty has Parkinson's disease. A caregiver visits their home for a few hours each day to help Patty eat, bathe and get around.

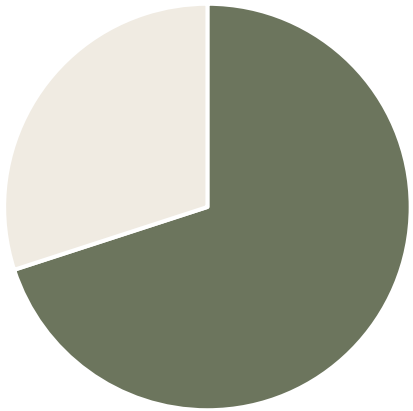
Having in-home care also means Sally can get a break to do things like grocery shopping or going for a walk with friends.



“

Having a caregiver helps with still being in a relationship, whether you're an adult child or a partner.

Long-term care is predictable and expensive



7 in 10

of us will need long-term care

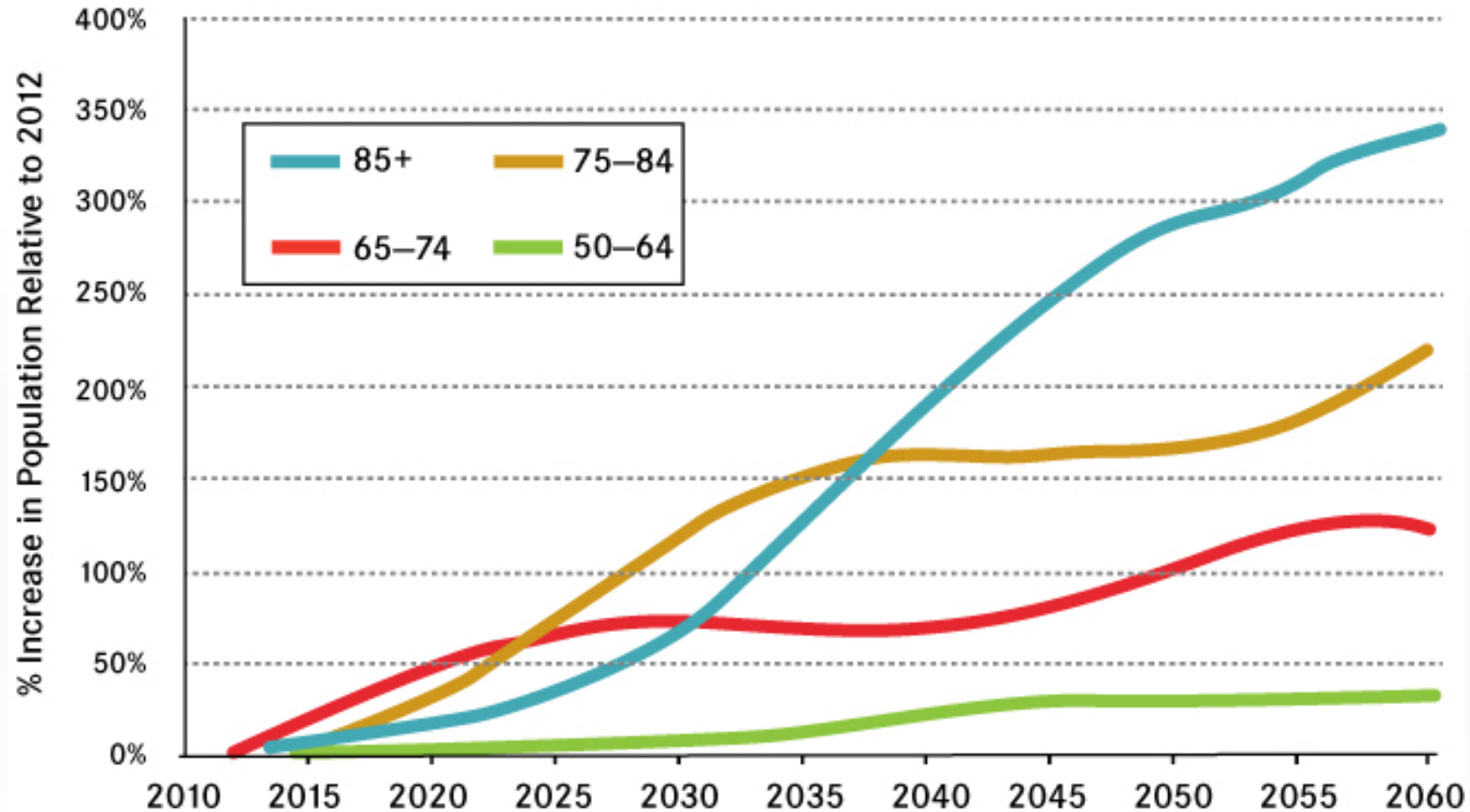
Care costs are high

- **\$33,000 per year** for 20 hours of home care per week
- **Not covered** by health insurance or Medicare
- Only covered by Medicaid once savings are spent down to **\$2,000**

Most don't have a way to pay

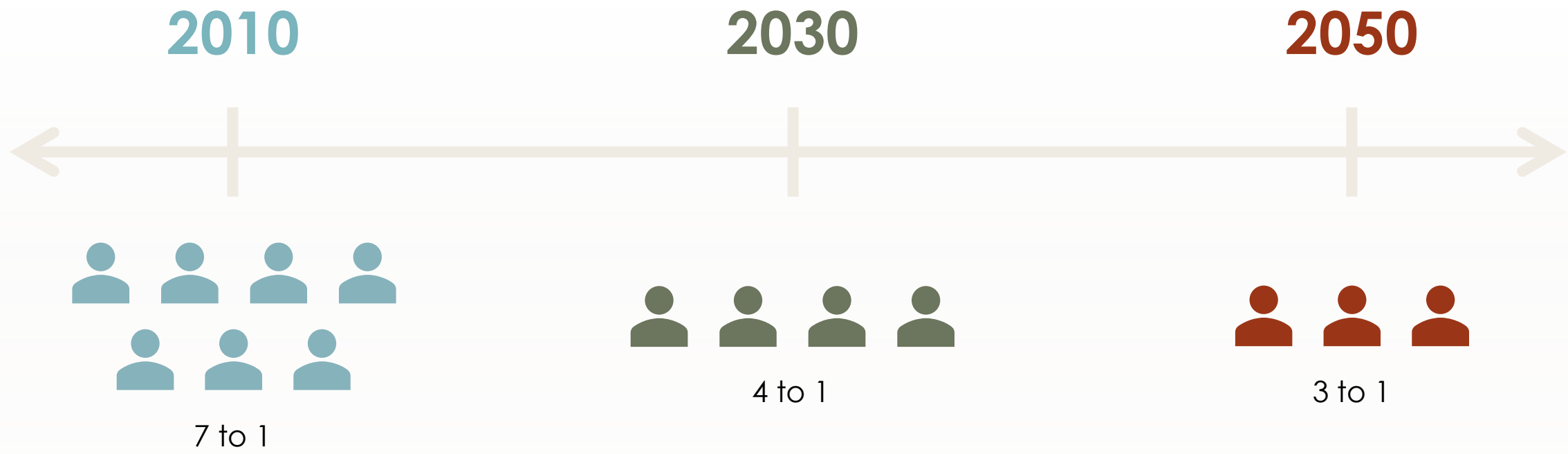
- Median household income for WA seniors: **\$56,000/year**
- **Half** have no 401(k) or pension income

Our population is aging rapidly

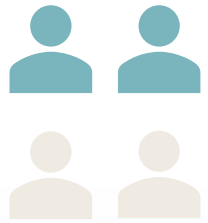


Families are increasingly unable to meet care needs

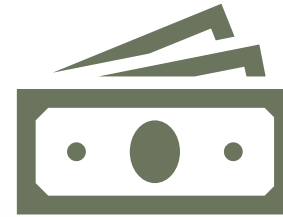
Number of potential family caregivers for each person who needs care



Family caregiving isn't free



Almost half
of family caregivers report a
related financial setback



\$303,880
average lost wages and
benefits for caregivers 50+
who leave workforce early



25%
Average amount of their
own income caregivers
spend on related expenses



2 in 3
working caregivers say a
program that pays
caregivers would help

Businesses and workers are impacted

Job openings in WA grew from **165,000** in 2020 to **224,000** in 2021 while number of available workers stagnated

AMONG WORKING CAREGIVERS

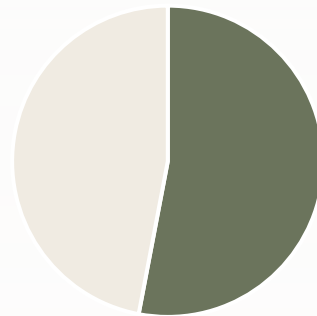
61%

report caregiving responsibilities impacted their job



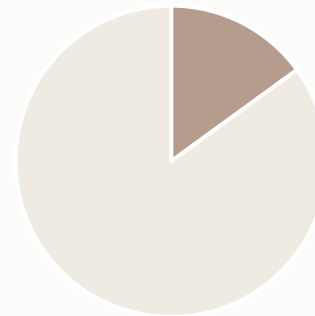
53%

Went in late, left early, took time off to provide care



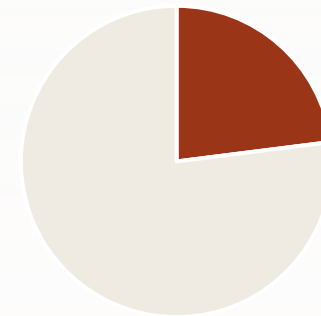
15%

Went from full-time work to part-time or reduced hours



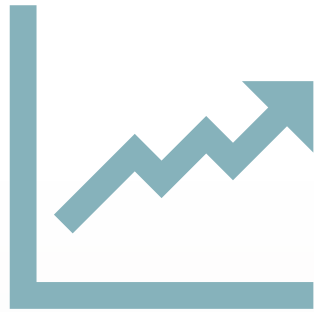
23%

report their health has worsened since taking on the role



Learn more about impacts on workers and employers: https://youtu.be/QfDSom_wbiY

We all pay the high costs of long-term care



Without WA Cares, long-term care costs – which we all pay through taxes on goods and services – would have **doubled in roughly two decades**

**\$6.4
billion**

Washington's budget for long-term care in the 2019-2021 biennium

6.3%

Long-term care spending as a percentage of the state budget

WA Cares Fund can help

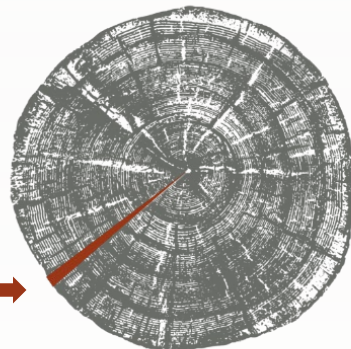
- Earned benefit
- Self-funded by worker contributions
- Only contribute while you're working
- Everyone covered at same rate regardless of pre-existing conditions
- No copays, no deductibles, and you never have to file a claim

Typical Income:

\$50,091

Typical Contribution:

\$291/year



0.58%

Contributions

0.58%

Amount workers
contribute from wages



Contributions begin

Benefits

\$36,500

Lifetime maximum benefit
(adjusted annually up to
inflation)



Benefits available

Affordable contributions across your career

\$35,000 annual salary	
Each year	\$203
Over 10 years	\$2,030
Over 20 years	\$4,060
Over 30 years	\$6,090

\$50,000 annual salary	
Each year	\$290
Over 10 years	\$2,900
Over 20 years	\$5,800
Over 30 years	\$8,700

\$75,000 annual salary	
Each year	\$435
Over 10 years	\$4,350
Over 20 years	\$8,700
Over 30 years	\$13,050

\$36,500 benefit amount will be adjusted annually up to inflation.

Who contributes to WA Cares

Automatically not included

- Federal employees **excluded**
- Employees of tribes only included **if tribe opts in**
- Self-employed individuals only included **if they opt in**

Optional permanent exemptions

- Veterans with service-connected disability rating of 70% or greater (ongoing availability)
- Workers who had private long-term care insurance by Nov. 1, 2021 (no longer available)

Optional conditional exemptions

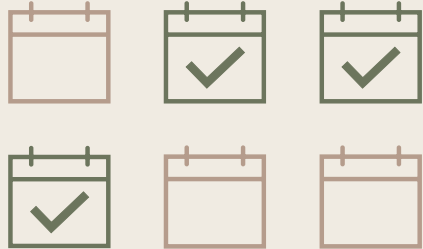
(all ongoing availability)

- Workers who live out of state
- Workers with non-immigrant visas
- Spouses/registered domestic partners of active-duty U.S. armed forces member

Qualifying for coverage

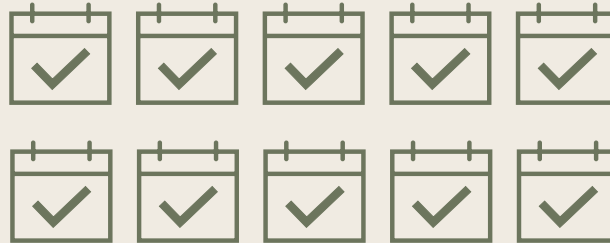
Early access to full benefit

Contributed at least **3 of the last 6 years** at the time you apply for benefits



Lifetime access to full benefit

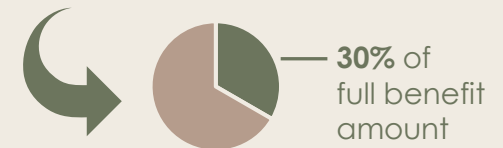
Contributed for a **total of 10 years** without a break of 5+ consecutive years



NEW FOR NEAR-RETIRES

Lifetime access to partial benefit

People born before 1968 earn **10% of benefit amount** for each year worked



To earn benefits, must work at least 500 hours per year (about 10 hours per week)

The benefit is flexible

Up to **\$36,500** for any combination of services and supports, including:



Professional care at home or in a facility



Adaptive equipment & technology like hearing or medication reminder devices



Training & paying family member or friend to be your caregiver



Home-delivered meals



Home safety evaluations & environmental modifications like wheelchair ramps



Support & respite for family caregivers



Transportation

Must need help with **3 activities of daily living** like bathing, dressing, eating, medication management

Role of employers

Premium collection

- Workers contribute to WA Cares; employers do not
- Starting **July 1, 2023**, employers collect premiums from employee wages for all workers who have not provided confirmation from ESD that they are exempt
- Employers begin quarterly reporting to ESD starting **October 2023**

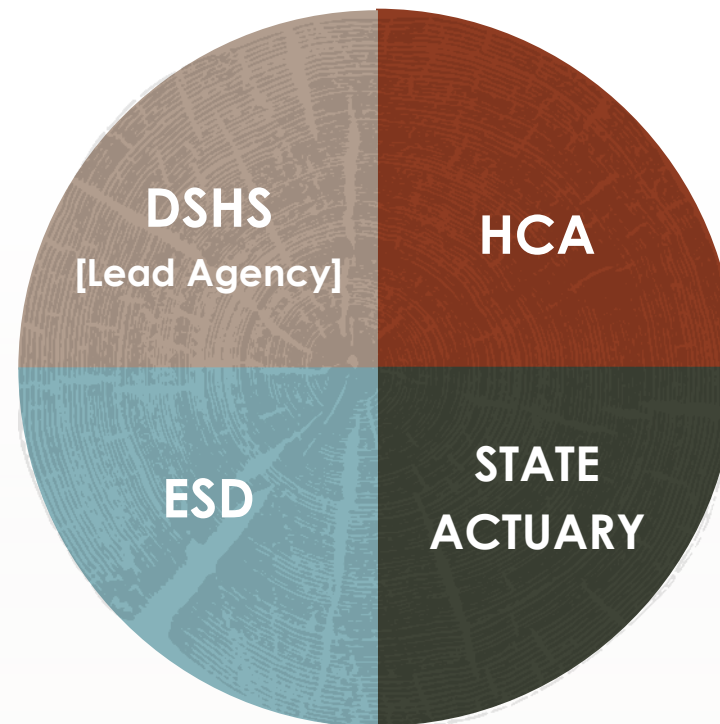
Exemptions

- Exemption applications processed by ESD, not by employers
- Exemption applications for ongoing exemption types accepted by ESD as of **Jan. 1, 2023** (wacaresfund.wa.gov/exemptions)
- Exemption letters provided previously are still valid
- Workers can download their approved exemption letter from Secure Access Washington account used to submit their application

Cross agency responsibilities

- Process applications
- Perform care needs assessments & determine eligibility
- Manage providers

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- Collect premiums and wage reports
 - Determine vesting status
 - Process exemptions
 - Process requests from self-employed individuals opting in



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- Pay providers
 - Track benefit usage

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- Provide actuarial analysis to assess ongoing Trust Fund solvency

Questions & Answers





Thank You

Learn more at wacaresfund.wa.gov

Find slides and other materials at wacaresfund.wa.gov/webinars

Contact us by email
[wacaresfund.wa.gov/
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