



## WA CARES BASICS: What Near Retirees Need to Know

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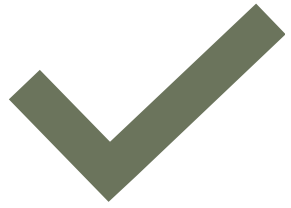
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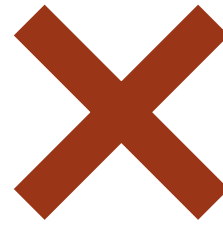
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# Defining long-term care and caregiving



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



## Sun-Hee and Yunhee

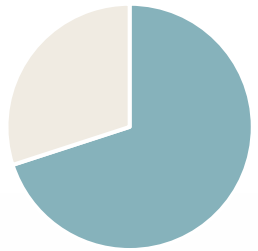
Sun-Hee and Yunhee are sisters and nurses living in the Puget Sound area and caring for their mom, who is experiencing cognitive decline.

Both sisters have stepped away from their careers to spend more time caring for their mom. They cook her Korean food and help her take her medication, grocery shop, clean her apartment, and keep a daily routine.



“ There's nothing I wouldn't do for her. She was there for us when we were growing up. She sacrificed for us, and I want to do that for her.

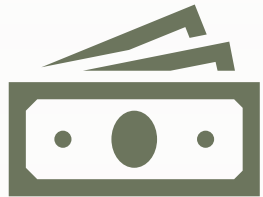
# Long-term care is predictable and expensive



**70% of us**  
will need long-term care<sup>2</sup>



**not covered**  
by health insurance or Medicare



**\$35,880/year**  
for 20 hours of home care  
per week<sup>3</sup>



Only covered by Medicaid  
once savings are spent down to  
**\$2,000**

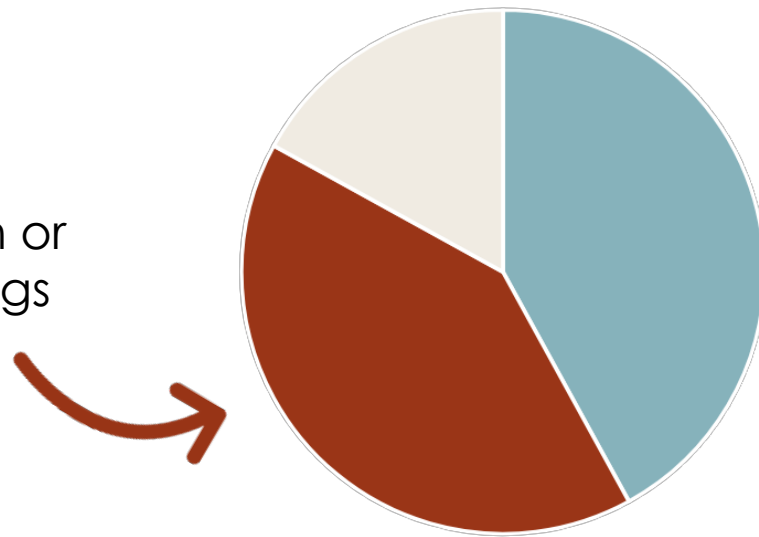
# Most don't have a way to pay

**\$56,000/year**

Median household income for Washington seniors<sup>4</sup>

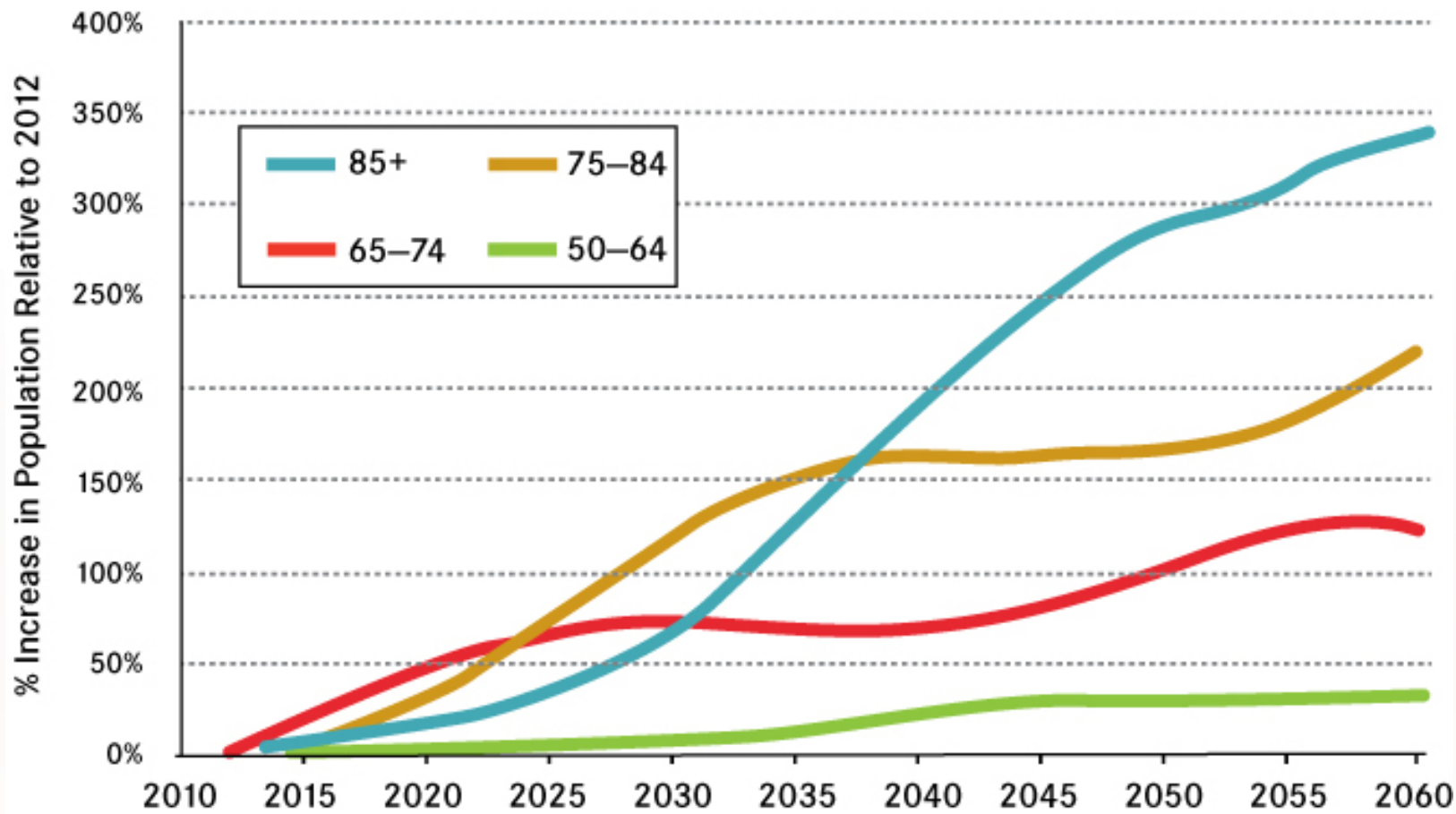
## AMONG WASHINGTON WORKERS AGE 55-64<sup>5</sup>

**41%**  
have no pension or  
401 (k)/IRA savings



Another **42%**  
have no pension & only  
enough 401 (k)/IRA savings  
to replace 10% of their  
pre-retirement income

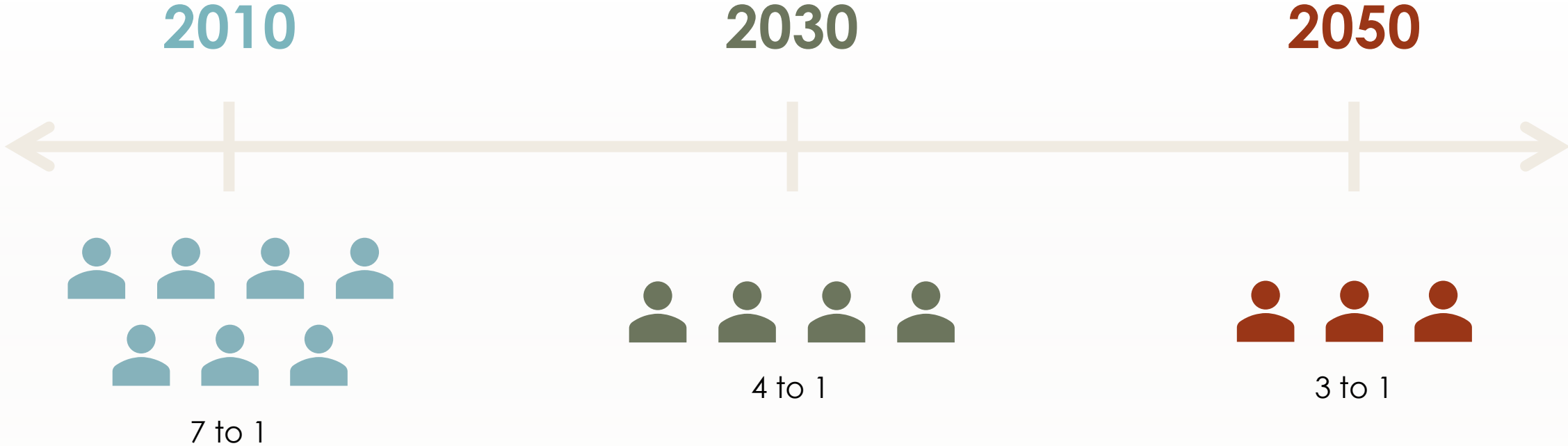
# Our population is aging rapidly



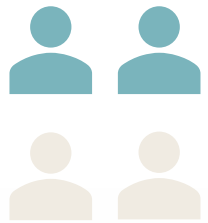
Source: Department of Social and Health Services, Research and Data Analysis Division

# Families are increasingly unable to meet care needs

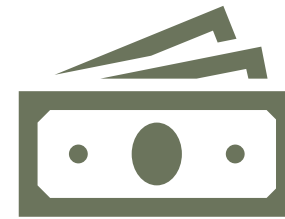
Number of potential family caregivers for each person who needs care<sup>6</sup>



# Family caregiving isn't free



**Almost half**  
of family caregivers report a  
related financial setback<sup>7</sup>



**\$303,880**  
average lost wages and  
benefits for caregivers 50+  
who leave workforce early<sup>8</sup>



**25%**  
Average amount of their  
own income caregivers  
spend on related expenses<sup>7</sup>



**2 in 3**  
working caregivers say a  
program that pays  
caregivers would help<sup>9</sup>



# Businesses and workers are impacted

## AMONG WORKING CAREGIVERS<sup>10</sup>

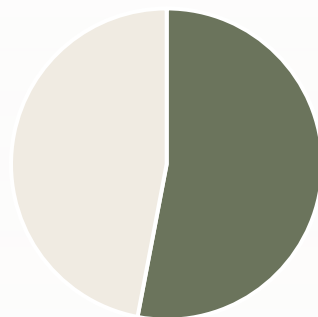
61%

report caregiving responsibilities impacted their job



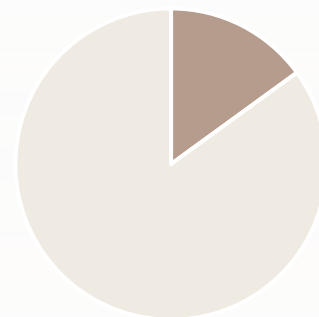
53%

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



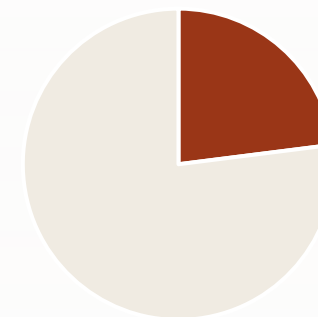
15%

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



23%

report their health has worsened since taking on the role



# 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**<sup>11</sup>

**\$10.4 billion**

Washington's budget for long-term care (23-25 biennium)<sup>12</sup>

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**8.9%**

of state budget spent on long-term care (23-25 biennium)<sup>12</sup>

# Program timeline

**2014**

Research on policy options for long-term care

**2019**

Legislature passes LTSS Trust Act & governor signs into law

**2021**

Legislature improves coverage for adults with disabilities that onset prior to age 18

**2022**

Legislature adds pathway to partial benefits for near-retirees; establishes voluntary exemptions for certain groups

**2023**

**July 1**  
Workers begin contributing

**2024**

Legislature gives workers the ability to take their benefit out of state

**2026**

**July 1**  
Benefits become available for qualified, eligible individuals

# WA Cares Fund can help

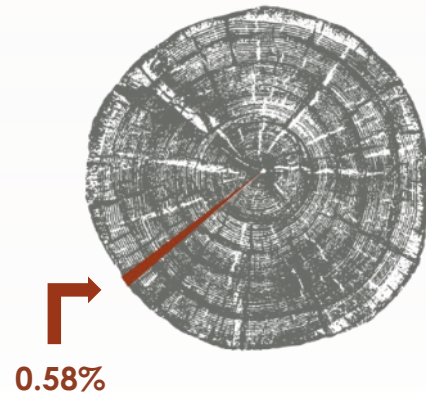
- Earned benefit
- Self-funded by worker contributions
- Works like an insurance program
- Only contribute while you're working
- Everyone covered at same rate regardless of pre-existing conditions
- No copays, no deductibles, and you never have to file a claim

## Typical Income:

\$50,091

## Typical Contribution:

\$291/year



## Contributions

0.58%

Amount workers  
contribute from wages



Contributions began

## Benefits

\$36,500

Lifetime maximum benefit  
(adjusted annually up to  
inflation)



Benefits available

# Who contributes to WA Cares

## Automatically not included

- Workers whose work is not localized in WA **not included** (same definition as Paid Family and Medical Leave)
- Federal employees **not included**
- Employees of tribal businesses only included **if tribe opts in**
- Self-employed individuals only included **if they opt in**

## Must apply to ESD for an exemption

Exemption type	Availability	Permanent?
Workers who live out of state	Ongoing	✗
Workers on non-immigrant visas	Ongoing	✗
Spouses & domestic partners of active-duty U.S. armed forces	Ongoing	✗
Veterans with 70%+ service-connected disability	Ongoing	✓
Workers who had private long-term care insurance by 11/1/21	<b>**No longer available**</b>	✓

Visit [wacaresfund.wa.gov/exemptions](https://wacaresfund.wa.gov/exemptions) for details

# Self-employed elective coverage

## Eligible for elective coverage:

- Sole proprietors
- Joint venturers or members of a partnership
- Members of a limited liability company (LLC)
- Independent contractors
- Otherwise in business for yourself

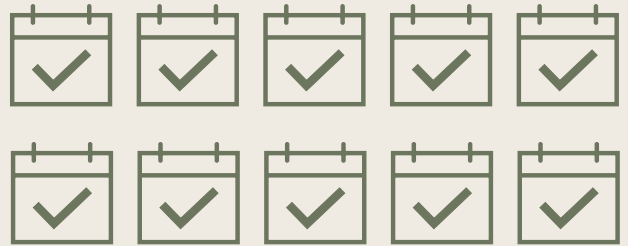
## Opt into WA Cares and protect yourself!

- Get the same affordable benefits available to other Washington workers
- Contribute 0.58% of:
  - Your net earnings
  - Gross wages, if any, paid to you from your business entity
- Must work 500 hours per year to earn benefits (to calculate, divide gross annual wages by current minimum wage)
- Applications became available July 1, 2023
- Learn more at [wacaresfund.wa.gov/opt-in](https://wacaresfund.wa.gov/opt-in)

# Qualifying for benefits

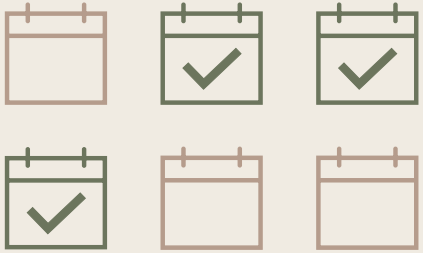
## Lifetime access to full benefit

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



## Early access to full benefit

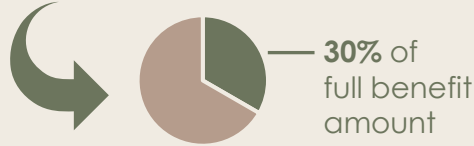
Contributed at least **3 of the last 6 years** at the time you apply for benefits



### 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



# How far will the benefit go?



## Family caregiver

<b>Paying a family caregiver</b>	\$31,300
10 hours/week for 2 years	
<b>Care supplies</b>	\$2,200
2 years of incontinence supplies	

**Total** **\$33,500**



## Home accessibility

<b>Home safety renovations</b>	\$15,000
<b>Electric wheelchair or scooter</b>	\$2,600
<b>Weekly meal delivery</b>	\$3,200
7 meals/week for 1 year	

**Total** **\$26,800**



## Temporary support & services

<b>Part-time caregiver</b>	\$31,300
20 hours/week for 1 year	
<b>Transportation to appointments</b>	\$3,200
for 1 year	
<b>Crutches</b>	\$50

**Total** **\$34,600**

*Note: These are estimates and do not guarantee the cost of any services, which may vary based on your area and other factors.*

# Taking WA Cares benefits out of state

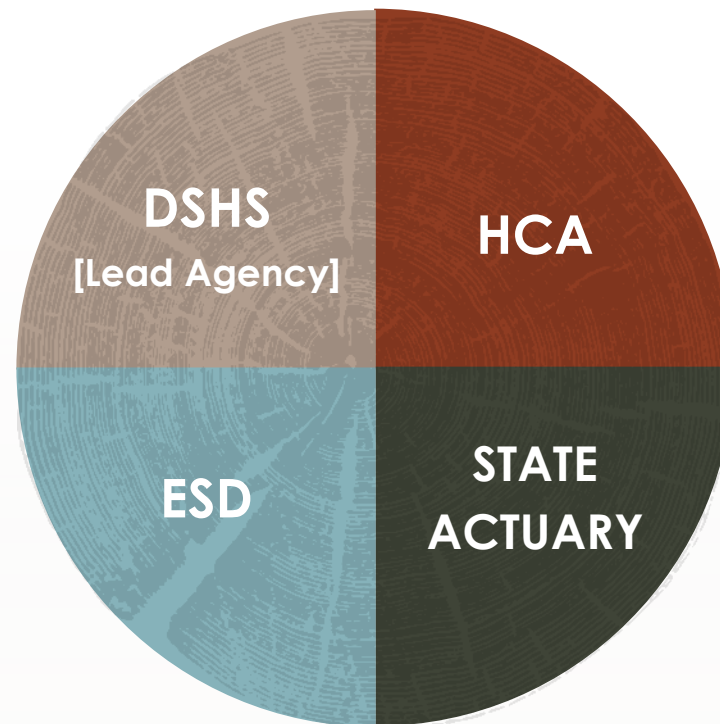
- New law passed this year to allow workers to use their benefit outside Washington
- **Starting in July 2026**, workers can choose to continue participating in WA Cares if they move out of state
- Must have contributed to WA Cares for **at least 3 years** (working 500+ hours per year) and must opt in **within a year of leaving WA**
- Like other workers, out-of-state participants keep contributing during working years
- Benefits available **starting July 2030**



# Cross agency responsibilities

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

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



- 
- Pay providers
  - Track benefit usage

- 
- Provide actuarial analysis to assess ongoing Trust Fund solvency

# Questions & answers



# Benefits for your family & community



## Care for you

to help you stay in your own home for longer as you age



## Financial support

by keeping benefits workers earn in their family or community



## Care for loved ones

who can make you a paid caregiver or get other services to ease impact of care needs



## Affordable coverage

for the majority of families who can't afford private long-term care insurance



## Resources for your workplace

to help your coworkers stay in their jobs & care for their families



## Lower costs

of long-term care spending we all pay through sales & other taxes

# How did we do?

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We value your feedback! Please take a few minutes to share your thoughts about today's presentation by completing a short survey.



# Thank you

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