

# An asset-based Long-Term Care Solution may provide tax exemption

*Sales Idea – Navigating Washington State’s LTC Insurance Program*

Washington state becomes the first in the nation to provide long-term care benefits to its residents. Learn more about the Long-Term Care Trust Act and how it may/will affect clients.

## Details

- Funded through a new employee payroll tax of 58 cents per \$100 dollars of income
- Impacts all W-2 employees and is optional for self-employed workers
- Taxes are paid into a trust fund, invested and distributed to vested, qualified employees
- Employees are considered vested after contributing in either:
  - Three of the past six years; or
  - 10 years without a break of five years or more

## Eligibility and Benefits

- Once vested, employees must require assistance with three activities of daily living to qualify for benefits
- If approved, the employee can receive funds for services provided only by a “registered long-term services and support provider,” in \$100 increments up to a lifetime maximum of \$36,500 per person, adjusted for inflation
- LTC benefits are available only to Washington employees and are not transferable

## Something to think about

Employees who demonstrate that they have “long-term care insurance,” as defined by Washington state, are exempt from this additional state payroll tax. This is a great opportunity to learn about how Care Solutions products, available through the companies of OneAmerica®, can help your clients not only avoid this payroll tax but help them secure long-term care protection that can last a lifetime.

### Important Dates

*January 1, 2022*

Payroll tax effective



*January 1, 2025*

Coverage available for qualified employees and retirees

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