



## WA CARES BASICS

What Workers Need to Know

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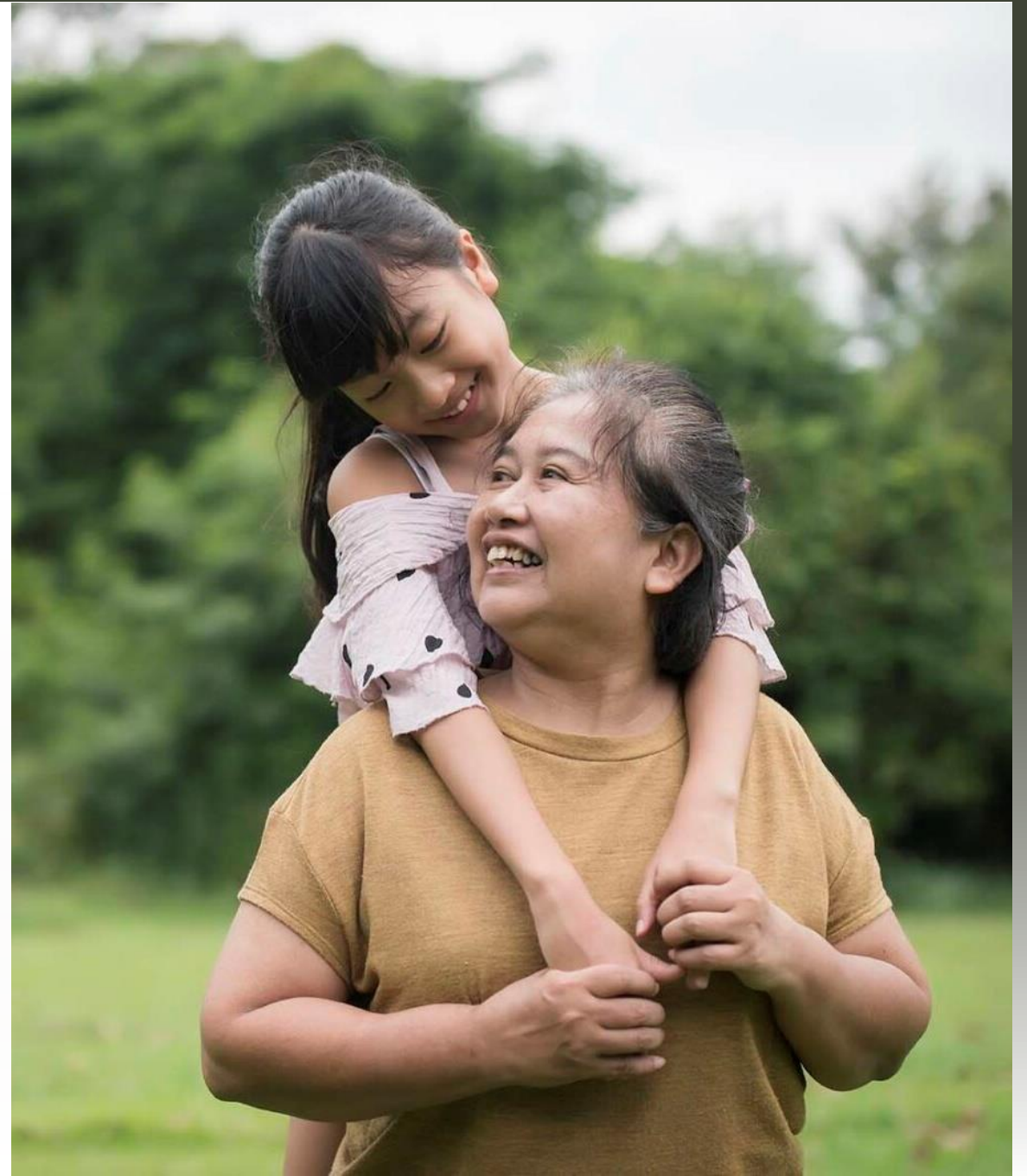
# What we'll cover today

## 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

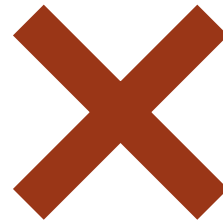
- Contributing to WA Cares
- Exemptions
- Qualifying for benefits
- Benefit coverage



# 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

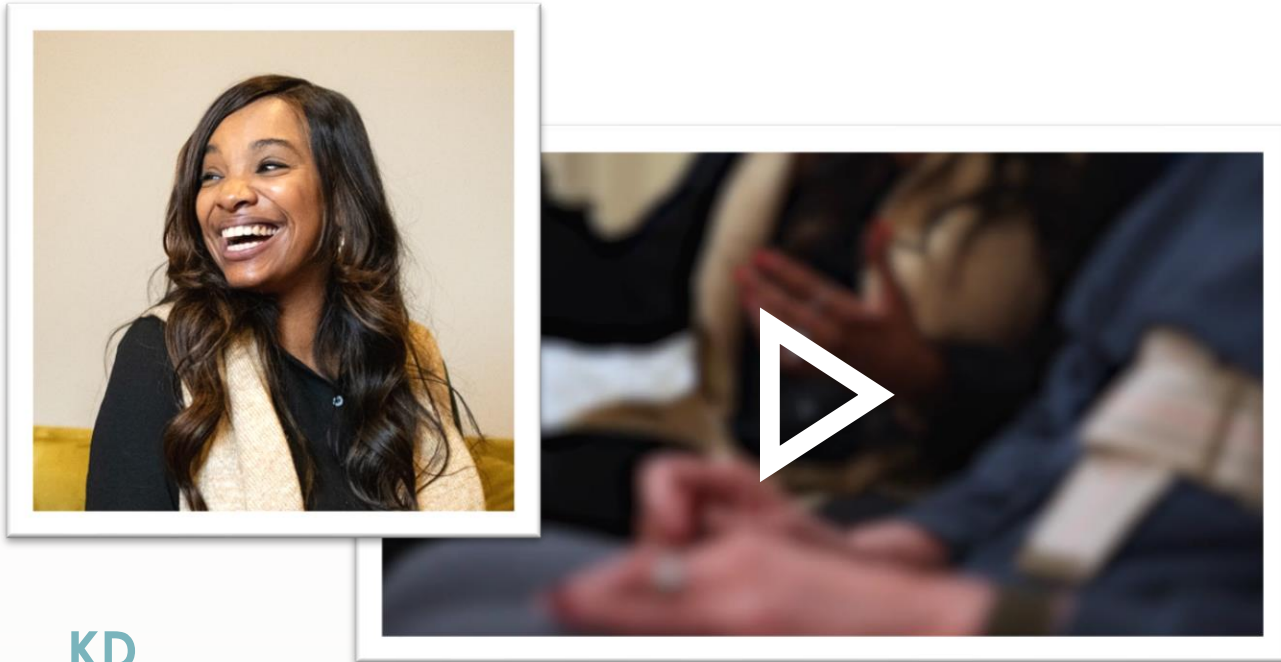


services & supports provided  
**in your own home**



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.

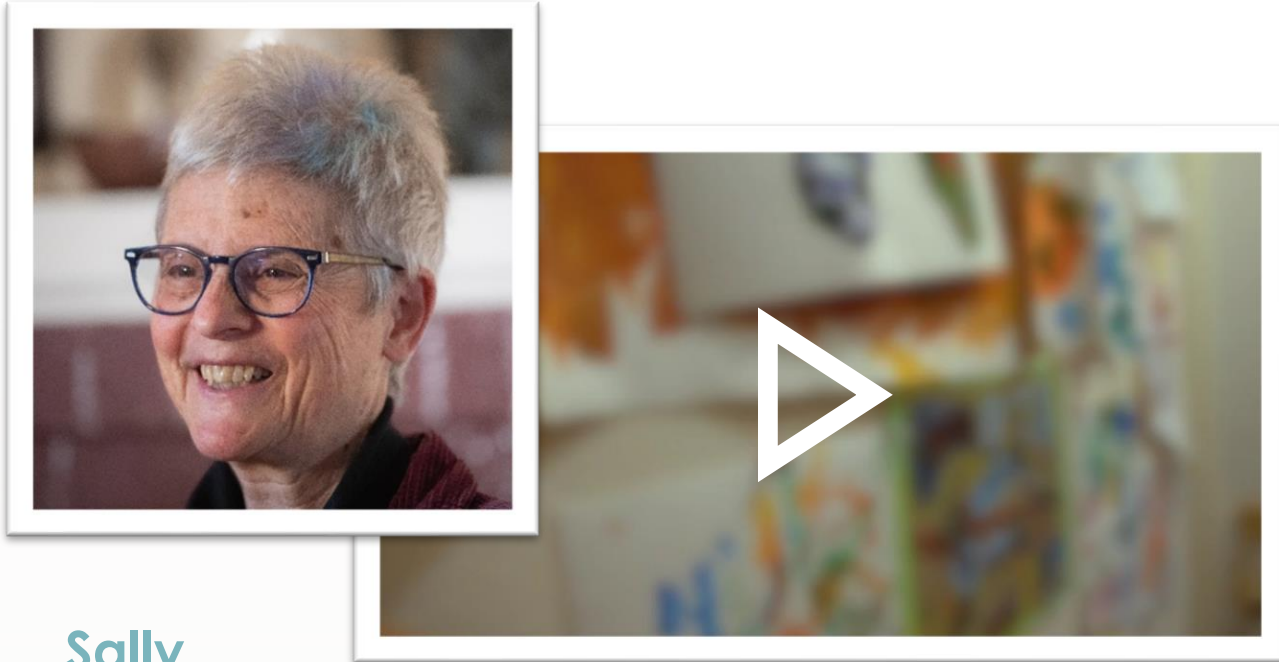
Kathleen gets in-home care from caregivers who help her bathe, dress, exercise and eat. They also provide her with companionship and help her get around the house using her wheelchair or walker.



“

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

# We all have care stories in our families



## Sally

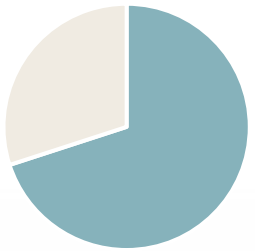
Sally's partner Patty has Parkinson's disease. A caregiver visits their home for a few hours each day to help Patty eat, bathe and get around.

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.

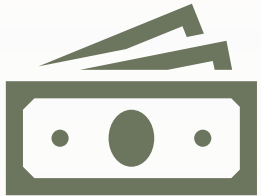
# Long-term care is predictable and expensive



**70% of us**  
will need long-term care



**not covered**  
by health insurance or Medicare



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



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

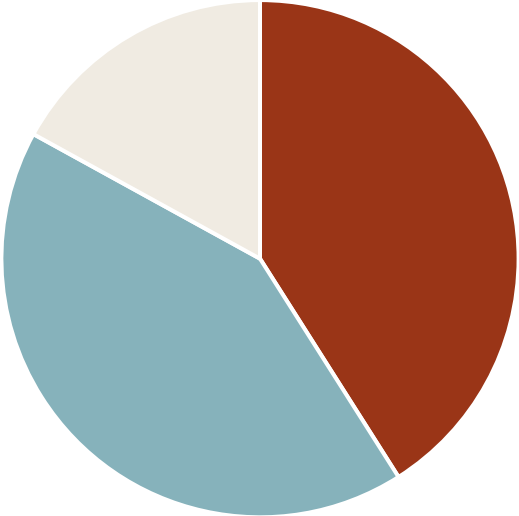
# Most don't have a way to pay

**\$56,000/year**

Median household income for Washington seniors

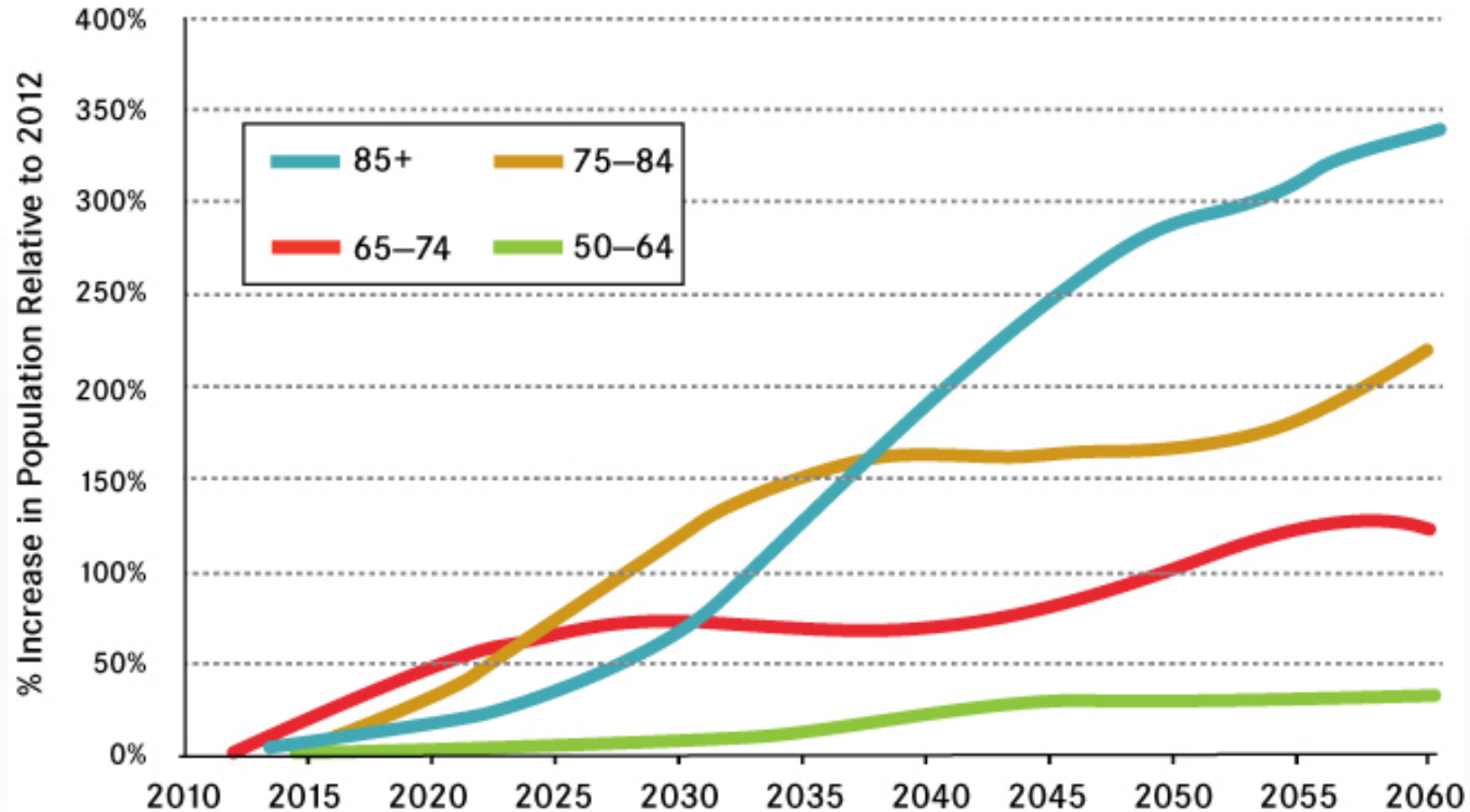
## AMONG WASHINGTON WORKERS AGE 55-64

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



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

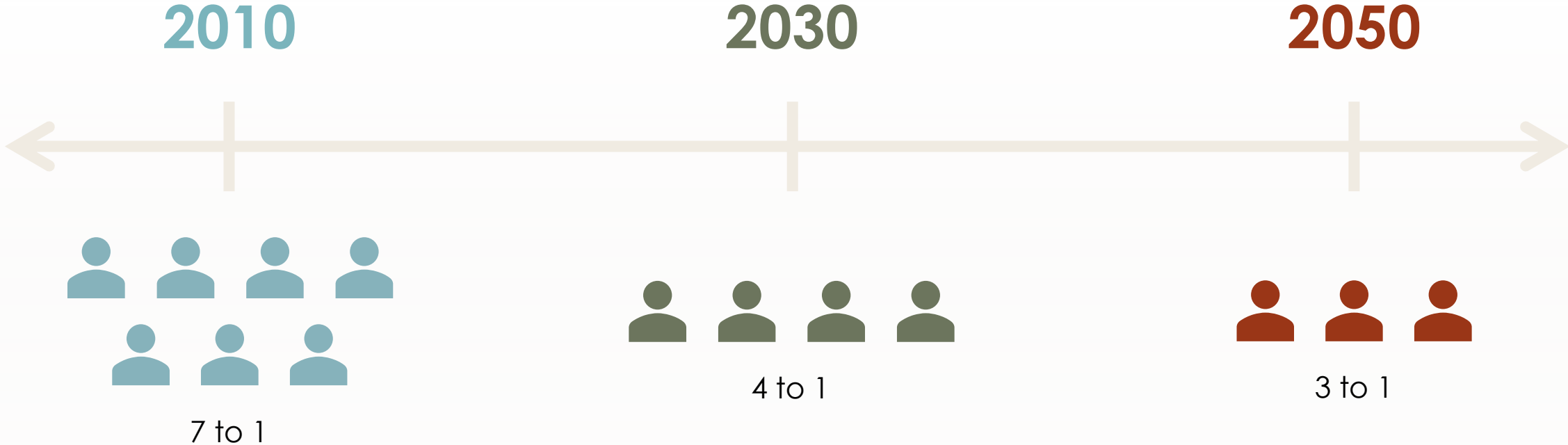
# Our population is aging rapidly



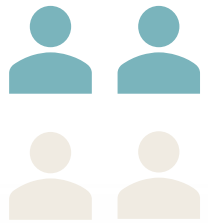


# Families are increasingly unable to meet care needs

Number of potential family caregivers for each person who needs care



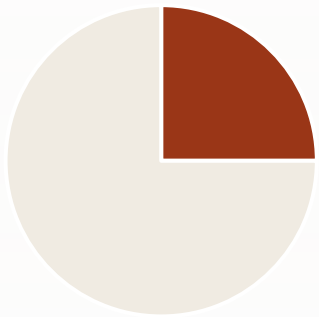
# Family caregiving isn't free



**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

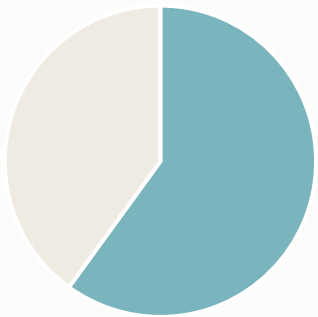
# Businesses and workers are impacted

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

## AMONG WORKING CAREGIVERS

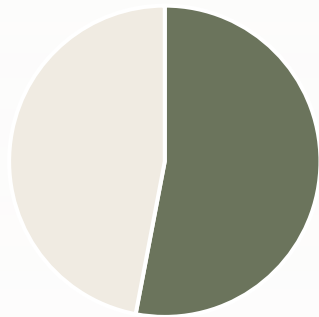
**61%**

report caregiving responsibilities impacted their job



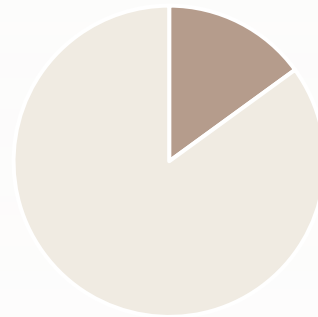
**53%**

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



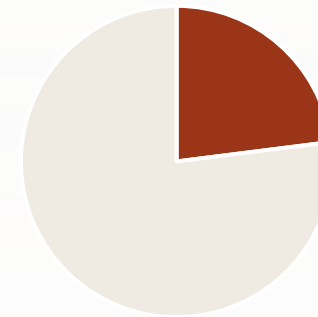
**15%**

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



**23%**

report their health has worsened since taking on the role



# 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**

**\$10.4  
billion**

Washington's budget  
for long-term care  
(23-25 biennium)

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**8.9%**

of state budget spent on  
long-term care  
(23-25 biennium)

# WA Cares Fund can help

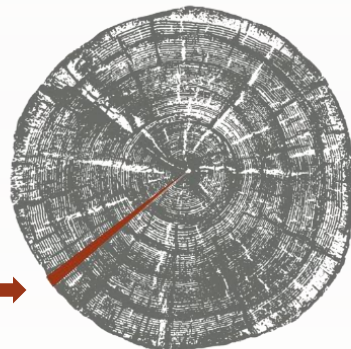
- Earned benefit
- Self-funded by worker contributions
- Works like an insurance program
- Only contribute while you're working
- Everyone covered at same rate regardless of pre-existing conditions
- No copays, no deductibles, and you never have to file a claim

## Typical Income:

\$50,091

## Typical Contribution:

\$291/year



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

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

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

<b>\$75,000</b> annual salary	
<b>Each year</b>	\$435
<b>Over 10 years</b>	\$4,350
<b>Over 20 years</b>	\$8,700
<b>Over 30 years</b>	\$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**

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	No longer available	✓

# Applying for an exemption

- Visit [wacaresfund.wa.gov/exemptions](https://wacaresfund.wa.gov/exemptions) for details
- Gather required documentation
- Create a Secure Access Washington (SAW) account or log into existing SAW account
- Follow instructions to add a new service, then complete & submit application
- ESD will review & send approval letter if approved
- Provide letter to current & future employers
- Notify employer & ESD if you no longer qualify

Applications submitted after **July 1** will become effective on or after **October 1**.

## Ongoing exemption types

- Veterans with service-connected disability rating of 70% or greater
- Workers who live out of state
- Workers with non-immigrant visas
- Spouses/registered domestic partners of active-duty U.S. armed forces member

Call 833-717- 2273 or use email form at [wacaresfund.wa.gov/contact-us](https://wacaresfund.wa.gov/contact-us) if you have exemption questions.



# Role of your employer and ESD

## Your employer

- Collect premiums from employee wages starting **July 1, 2023** for all workers who have not provided confirmation that they are exempt
- Track employee exemptions and keep approved exemption letters from ESD on file

## Employment Security Department

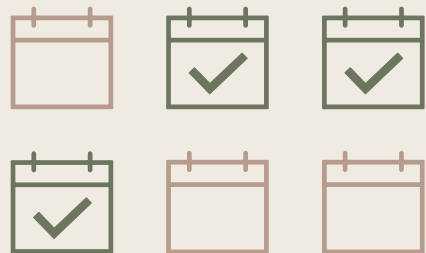
- Process exemption applications (available for ongoing exemption types as of **Jan. 1, 2023**)
- Provide exemption approval letter for workers to give their employer
  - Exemption letters provided previously are still valid
  - Workers can download letter from Secure Access Washington account used to submit their application

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

# Qualifying for coverage

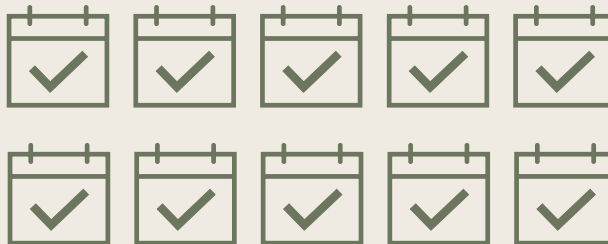
## Early access to full benefit

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



## Lifetime access to full benefit

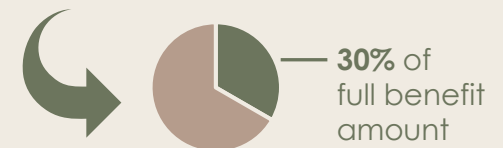
Contributed for a **total of 10 years** without a break of 5+ consecutive years



NEW FOR NEAR-RETIREES

## 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-year diaper supply	

**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>	\$9,200
7 meals/week for 3 years	

**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

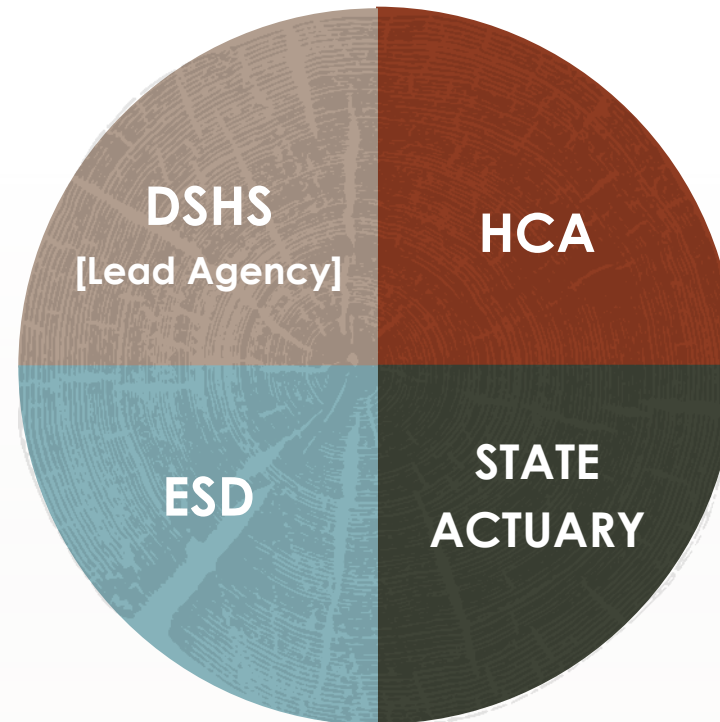
**Total** **\$34,600**

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

# 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



## Care for loved ones

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



## Resources for your workplace

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



## Financial support

by keeping benefits workers earn in their family or community



## Affordable coverage

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



## Lower costs

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



# Thank you

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