



PUBLIC UTILITY DISTRICT NO. 1 of CHELAN COUNTY

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July 12, 2021

Dear Employee:

On May 13, 2019, Governor Inslee signed into law a new mandatory long-term care insurance benefit for people working in the State of Washington. This benefit is known as the WA Cares Fund. Please carefully read the following information to understand how the WA Cares Fund will impact you and what options are available to you as an employee of the District.

How the WA Cares Fund Will Work

The Fund will provide long-term care benefits of up to \$100 per day, up to a lifetime maximum benefit of \$36,500 to eligible workers while living in Washington state.

This benefit will be funded through a payroll deduction that all employees in Washington state will be required to pay, beginning January 1, 2022. The deduction will initially be \$0.58 per \$100 of income. For example, if you earn \$75,000 per year, you will pay \$435 per year or \$16.73 per paycheck. ***Please note that you will be able to apply for an exemption from this deduction if you already have long-term care insurance.***

The benefit will be available on January 1, 2025, however, to be eligible to use this benefit you must need assistance with at least three activities of daily living (www.wacaresfund.gov); AND you must have worked and contributed to the fund for at least ten years without a break of five or more years; OR at the time you apply for the benefit, you must have worked and contributed to the fund three out of the last six years. If you are retiring before January 1, 2025, you will pay into the fund, however, you will not receive any benefit.

Exemption From the WA Cares Fund

Because the District provides eligible employees with long-term care insurance, you may apply for an exemption, which, if approved, will allow you to opt-out of this mandatory payroll deduction. Once your exemption is approved, you will need to provide the Benefits Specialist with a copy of the exemption to have the deduction removed from your paycheck. Applications for an exemption may be submitted to the Employment Security Department between October 1, 2021 and December 31, 2022.

Important Facts Regarding Exemptions

1. It is important to note that exemptions are for life and once you opt-out, you will not be able to opt back in or gain access to the WA Cares Fund benefit in the future.

2. Exemptions are granted by the Employment Security Department (ESD). They are currently developing the exemption process, which will be available for the exemption application period beginning on 10/1/21. We hope to know more about this process in August.
3. Long-term care coverage must be in effect by November 1, 2021 or you will not be eligible to apply for an exemption. Employees in benefit eligible positions have coverage today through the employer sponsored UNUM policy.
4. The ESD will make the exemption decisions and there is no guarantee that the District's long-term care insurance will meet the state's exemption criteria. If it does not, you will be covered by both the District's long-term care plan and the WA Cares Fund.
5. Additionally, if you do not wish to apply for an exemption, you will be covered by both the District's long-term care plan and the WA Cares Fund.

Your Current LTC Coverage Through the District

If you are an eligible employee, you currently have LTC insurance coverage through UNUM. As an eligible, covered employee, you currently have a monthly benefit of \$2,000 up to a lifetime maximum of \$48,000, assisted living facility benefit percentage of 60%, and professional home health care. ***You are also able to purchase additional LTC coverage for yourself and eligible family members.***

Eligible family members may include your spouse, children (minimum age 18), parents, spouse's parents or siblings (minimum age 18). This purchase will require evidence of insurability for approval. If they are approved and have the coverage through UNUM effective by November 1, 2021, they will also be able to apply for an exemption.

There is a potential for applications for coverage and evidence of insurability forms to take longer than normal to process. Therefore, it is important for you to apply for coverage for family members as soon as possible to ensure coverage is in place by October 1, 2021 to meet the state's coverage deadline of November 1, 2021. To apply for coverage, visit www.unuminfo.com/Chelanpud and click on "Enrollment" in the top right-hand corner.

Important Dates

October 1, 2021 – 1st day to apply for WA Cares Fund exemption

November 1, 2021 – LTC plans must be effective by this date to be considered for an exemption

January 1, 2022 – 1st day the WA Cares Fund tax will be calculated

December 31, 2022 – Last day to apply for an exemption

January 1, 2025 – 1st day the WA Cares Fund benefit will be available for use

We will continue to communicate through SharePoint, Hot Topics, the GM Forum and emails as things develop. You are also invited to visit [WA Cares Fund](#) for more information. If you have any questions regarding this information, please contact Donna Pruitt at 661-4448.