



Electronic Alert

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Washington Delays Premium Assessment for WA Cares Fund

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This morning, Washington Governor Jay Inslee and Washington Democratic Legislative leaders issued a joint statement announcing an agreement to delay the new WA Cares payroll tax on employees. The statement described that they will conduct further work to address concerns over the new long-term care program.

The WA Cares program was approved in 2019, with the intention that it would act as a safety net to help people pay for care for themselves in old age and sickness, funded through a 0.58% payroll deduction on workers. That payroll deduction was originally set to begin on January 1, 2022.

Gov. Inslee stated that he was ordering the Washington Employment Security Department not to collect premiums from employers for this program before they come due in April, and that the state would not collect those funds until the Washington Legislature sorted through issues with the program, including growing concerns that under the current structure, workers would pay into the program but never be eligible to receive benefits.

The Washington Legislature is expected to put forward proposals to address concerns with the program in January, when the Legislature will gather for a short, 60-day session. Washington Democratic Legislative leaders stated that the delay will allow the Long Term Care Commission time to “study and make recommendations about residents who move out of Washington to retire and assure that those who have opted out of the program maintain their private insurance policies.”

In the meantime, employers can be assured that they will not incur any penalties or interest from not withholding WA Cares taxes from wages. Although employers are not restricted from collecting the premiums, and technically remain able to do so, the joint statement “strongly encourages” them to pause in doing so until legislation can be passed next year.

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