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New WA Law

Our new WA law for Long Term Care (LTC) is being paid with a payroll tax of .58% for all W-2 income salary, which includes bonus amounts with no cap on the tax. A person earning \$100,000 will pay \$580 per year of additional tax. Persons can opt out of this tax if they buy a LTC insurance (LTCi) plan. The state plan requires assistance with 3 of 6 Activities of Daily Living, 10yr vesting to qualify, and provides only a \$36,000 lifetime benefit. Ouch. More is needed.

Here are some alternatives to the State's LTC Fund. The intent here is to opt you out of the state's program and provide a better benefit. This example of available private insurance coverage provides a lower threshold for qualifying for benefits.

- Immediate vesting of benefits compared to the state's ten-year vesting plan.
- 2 of 6 Activities of Daily Living requirement instead of 3 of 6 for the state's plan.
- \$100,000 lifetime benefit amount instead of the state's \$36,500 indexed to inflation.
- Tax-free Death benefit if the LTC benefit is not used.
- Fixed premium instead of potential rising costs with the State's plan.

Now for the downside: This amount of benefit may not truly provide adequate LTC coverage if you ever needed it. But it can provide significantly more than the state plan offers. Low benefit levels are essentially a stop gap for eventual private pay for services. Private coverage may likely last past your working years and then you will have the choice to continue it if you choose.

Feel free to contact us for more information or quotes.

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