

Washington Long-Term Cares Fund Update: Employers Advised to Withhold Premiums Starting January 1

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Washington Governor Jay Inslee has clarified that, starting January 1, “employers will still be legally obligated to pay the full amount owed to state ESD [Employment Security Department] to begin the long-term care program” under the Washington Long-Term Services and Supports Act, until the legislature changes the law.

The Act provides Washington workers with long-term care benefits (called the Washington Cares Fund) and is funded by a payroll tax on Washington workers.

Governor Inslee noted that the state plans to begin collecting premiums from its own employees’ paychecks on January 1, as the statute requires, despite his prior statement that “employers will not be subject to penalties and interest for not withholding fees from employees’ wages” during the legislature’s reconsideration of the law in January when they reconvene.

On December 17, Governor Inslee issued a joint statement with two legislators that supported employers pausing premium collections from Washington employees while the legislature decides whether to amend the law.

In his most recent release, however, the governor warned, “Only the legislature has the authority to eliminate the requirement that employers pay a premium based on withholding from an employee’s wages at this time.”

This change in course is yet another confusing development for employers regarding the Washington Cares Fund, but the governor’s warning suggests that employers should begin collecting premiums from employees checks on January 1 to avoid the chance employers would have to pay the cost of the premiums themselves, if the legislature fails to change the law.

For additional guidance on this issue, please contact a Jackson Lewis attorney.

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