



## AWC Trust-sponsored long-term care coverage

1 message

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### WA state long-term care coverage and payroll tax

The passage of **HB 1087** during the 2019 session established the Long-Term Services and Supports Trust Program, recently renamed the **WA Cares Fund**. The purpose of the program is to provide a long-term care benefit to Washington workers that otherwise would not have coverage. More information is provided on premium collection and benefits on our [website](#).

### Employee opt-out exemptions

The state is allowing employees with private long term care insurance in place before November 1, 2021 to opt-out of the state tax and benefit: [www.wacaresfund.wa.gov/private-insurance](http://www.wacaresfund.wa.gov/private-insurance).

### AWC Trust-sponsored group long-term care coverage through Trustmark

In response to employers looking to provide an alternative long-term care coverage option for their employees, the AWC Trust has been able to secure access to group coverage, providing a minimum amount of interest is received from employers, along with census data by early July.

**It is important we hear from you by replying to this email survey if you are interested in offering this optional employee long-term care coverage or have no interest in offering this optional long-term care coverage.** Read on for the survey, informational webinar, coverage details and more.

### Trustmark coverage - Permanent life insurance with long-term care rider

The following are the highlights of the group coverage under the AWC Trust:

- **Group universal life insurance/death benefit (employee):** \$25k-\$150k is guaranteed, meaning there is no medical questionnaire. Additional amounts from \$150k - \$300k are available and will include a simplified medical questionnaire. Death benefit reduces to 1/3 at age 70. The employee chooses the amount of coverage they would like, which is in increments of \$25k.
- **Long-term care benefit:** Equal to a monthly benefit of 4% of the death benefit, ranging from \$1k-\$6k per month. **Note:** The long-term care benefit does not reduce at age 70, whereas the life insurance benefit does reduce. Coverage includes a 90-day elimination period, and inability to perform two of six activities of daily living or cognitive impairment.
- **Work status:** In order to enroll in coverage, the employee must be actively at work for an average of at least 20 hours a week and have other current AWC Trust coverage.
- **Age:** Employees ages 18-64 are guaranteed eligible (no medical questionnaire). Employees ages 65-70 may enroll following approval of a simplified medical questionnaire. Employees over age 70 are not eligible to apply.
- **Employee residence:** Coverage is available to employees living in Washington State. An individual long-term care option can be made available to those living out-of-state.
- **Portability:** Coverage is completely portable.
- **Premiums:** Based on the individual's age at time of enrollment, level of benefits selected, and tobacco usage status. Rates do not change as the covered individual ages. Those enrolling will receive a direct monthly billing for coverage effective October 1, 2021. (This coverage will *not* be included on the employer's AWC Trust SIMON bill.)
- **Spouse/domestic partner long-term care coverage:** Spouses/domestic partners can apply with a simplified medical questionnaire. The employee must be covered for a spouse/domestic partner to be eligible to apply.

To help compare the AWC Trust benefit through Trustmark with the WA Cares Fund program, see the simplified chart below:

	Trustmark Group LTC plan	WA state LTC plan
LTC benefit	4% of death benefit (\$1K - \$6K/month)	\$100/day
Lifetime LTC max	Equal to death benefit (\$25K, \$50K, \$75K, \$100K, \$150K)	\$36.5K
Death benefit	Enrollment options: \$25K, \$50K, \$75K, \$100K, \$150K (reduces to 1/3 of enrolled amount at age 70)	None
Cost stability	Stable rate, locked in at initial enrollment age	Tax rate and employee income likely to increase over time
Portability	Eligible employee can move to any state in U.S. and keep/use plan	Can only be used in WA. If eligible employee moves out of WA for five+ years participant forfeits benefit.
Qualifying	Eligible immediately (90 day elimination period applies)	Employees must pay into the state plan for a minimum of three years, and three of the past six years to be eligible for benefit.  To be fully vested in the state plan, participants must pay into the plan for 10 years (without a break of five consecutive years). Therefore, those retiring in less than 10 years from 1/1/22 will have limited or no access to this benefit in retirement.
	Loss of two of six activities of daily living or cognitive impairment to qualify	Loss of three of 10 activities of daily living

View a cost comparison below, showing the state long-term care tax, as compared to sample coverage/premiums under the AWC Trust sponsored coverage under Trustmark. The chart includes sample Trustmark rates for a \$25k death benefit (reduces to \$8.3k at age 70); \$1k/month long-term care benefit up to \$25k lifetime maximum. The colored shading depicts where Trustmark coverage is lower in cost. Please keep in mind that the Trustmark rates are stable. The WA tax rate and income could increase over time, also increasing the tax amount.

		AWC average age: 46				
W2 income	WA LTC monthly tax	Trustmark \$25K death benefit and \$1K/month LTC benefit				
		Age 20	Age 30	Age 40	Age 50	Age 60
\$30,000	\$15	\$13.88	\$17.22	\$25.40	\$40.53	\$72.10
\$40,000	\$19	\$13.88	\$17.22	\$25.40	\$40.53	\$72.10
\$50,000	\$24	\$13.88	\$17.22	\$25.40	\$40.53	\$72.10
\$60,000	\$29	\$13.88	\$17.22	\$25.40	\$40.53	\$72.10
\$70,000	\$34	\$13.88	\$17.22	\$25.40	\$40.53	\$72.10

\$80,000	\$39	\$13.88	\$17.22	\$25.40	\$40.53	\$72.10
\$120,000	\$58	\$13.88	\$17.22	\$25.40	\$40.53	\$72.10
\$140,000	\$68	\$13.88	\$17.22	\$25.40	\$40.53	\$72.10
\$175,000	\$85	\$13.88	\$17.22	\$25.40	\$40.53	\$72.10
\$200,000	\$97	\$13.88	\$17.22	\$25.40	\$40.53	\$72.10
\$250,000	\$121	\$13.88	\$17.22	\$25.40	\$40.53	\$72.10

### Next steps

For the Trust to offer this benefit, we must have confirmation from those employers who would like to offer the benefit to their employees, along with census information. Offering coverage does not obligate employees to enroll, however all Trust insured employees will receive direct communications from Trustmark announcing this coverage option. Trustmark will work directly with employees to help answer their questions and facilitate any enrollment.

### Census information

While most needed census information is already in the SIMON system, there are two pieces of additional information needed: employee email (preferably the employer email address) and occupation. As the employer, you have access to enter this required data directly into the SIMON system. Alternatively, you can also send a report to Trust staff using this [sample census template](#), and staff will upload the data for you. **Please click "yes" in the pop-up message box. This is a Word document coming from the AWC Trust, a trusted source.**

### Timeline & action needed

- **June 14, 1 pm** - A free webinar is being offered to help employers better understand the WA Cares Fund program benefits, as well as the AWC Trust offering through Trustmark. [Register now!](#)
- **As soon as possible, or by June 22** - Respond to the survey below, indicating if you are interested in offering the AWC Trust sponsored Life Insurance/Long-Term Care benefits through Trustmark to your employees.
- **June 25** - Supply [census information](#) to Trust staff at [benefitinfo@awcnet.org](mailto:benefitinfo@awcnet.org) via [secure email](#) and Trust staff will enter the data into the SIMON system for you. **OR by July 2** - Update SIMON with all Trust insured employee work emails and occupations.
- **July 8** - All census information from employers opting into the AWC Trust long-term care option will be sent to Trustmark. It is important that all employers wanting to offer this coverage have census data to the Trust by June 25, or data enter their own employee information by July 2. Any missing email fields will default to a Trust contact email within the employer.
- **August** - Long-term care communication with employees: *J.Manning & Associates on behalf of Trustmark and the AWC Trust* will provide a robust communication campaign to ensure that employees are aware of the benefit and have multiple opportunities to learn about this coverage and enroll. Communication includes educational webinar, direct employee emails, educational online enrollment platform, and access to the call center with licensed (non-commissioned) benefit counselors.

### Please respond by June 22



Yes, our employer is interested in offering the AWC Trust sponsored long-term care coverage to our AWC Trust insured employees



No, our employer is NOT interested in offering the AWC Trust sponsored long-term care coverage

### Questions?

We encourage employers to attend the [free webinar on June 14](#), we believe many of your questions will be addressed there. If you have questions about offering the AWC Trust sponsored long-term care coverage, or any of your Trust benefits, please contact our staff at 1-800-562-8981 or [benefitinfo@awcnet.org](mailto:benefitinfo@awcnet.org).

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