

BULLETIN

A Communication from
the Life Insurance Division



PACIFIC LIFE

Pacific Life Insurance Company

DATE: May 7, 2021

TO: Broker General Agencies, Life Insurance Producers, Office Administrators, and Technical Staff

SUBJECT: Update: Washington State LTC Insurance Payroll Tax

Category	
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Update: Washington State Long Term Care (LTC) Insurance Payroll Tax

Washington state [House Bill \(HB\) 1323](#), which proposed amendments to the state's Long Term Services and Supports law, began moving through the Washington legislature in early 2021. HB 1323 initially provided that, among other things, Washington residents who want to apply for an exemption from the upcoming additional LTC payroll tax must have purchased the private LTC insurance before the original law was enacted -- July 28, 2019. In February 2021, a proposed amendment to HB 1323 was introduced in the Washington House that would allow residents to purchase LTC insurance by "the effective date of this act" (approximately July 2021) if they want to be able to apply for the exemption. (See [Substitute House Bill \(SHB\) 1323](#), Section 4).

In March 2021, a proposed amendment to SHB 1323 was introduced in the Washington Senate that would allow residents to purchase LTC insurance **before November 1, 2021** (i.e., by October 31, 2021) if they want to be able to apply for the exemption, and the amendment passed in the Senate on April 10, 2021. On April 14, 2021, the House concurred with the Senate amendment. **As the amended SHB 1323 was signed into law by the Governor on April 21, 2021, residents will have until October 31, 2021 to purchase private LTC insurance for purposes of applying for the exemption.** (See Section 5, [Amended and Signed SHB 1323](#).) Keep in mind, however, that there is no guarantee that the state's Employment Security Department will grant an exemption to a particular resident. Also, note that the specific administrative details and rules for this program have not yet been fully established. (See this ["Washington Cares" informational flyer](#) and this [link](#) for more information.)

We are monitoring the amended SHB 1323 and will provide additional updates as they become available. **Pacific Life cannot and does not provide specific recommendations on legal requirements or exemptions from such legal requirements, and individuals should consult with their own legal and/or tax advisors for specific recommendations.**

For more information, please contact the Broad Market Sales Desk at (844) 238-4872, Option 3.

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