Engage PEO Client Alert

Washington Cares Fund Employee Deductions Begin July 1, 2023; Seattle Adds Protected Category

EMPLOYERS MUST BEGIN PAYROLL DEDUCTIONS FOR THE CARES ACT

What's New: In 2019, Washington passed the Cares Fund Act which established a state-run long-term care insurance program. Engage previously issued an alert which can be accessed HERE. Beginning on **July 1, 2023**, employers will be required to collect 0.58% of employee pay as contributions to the Washington Cares Fund unless the employee has an approved exemption.

What it Means:

- Beginning July 1, 2023, employers must begin making the 0.58% WA CARES payroll tax deductions from employee earnings.
- Benefits under the Cares Fund are expected to begin on July 1, 2026. Eligible individuals may receive access to long-term care costing up to $36,500 (adjusted annually for inflation) over their lifetime. Long-term care includes help with daily activities like bathing, eating, dressing, taking medication and bathroom assistance that will allow individuals to live at home longer.
- Employees who live outside of the State of Washington, are the spouse or registered domestic partner of an active-duty service member of the United States armed forces, have non-immigrant work visas or are veterans with a 70% service-connected disability rating or higher may apply for an exemption.

Engage has drafted a template memorandum for your use to inform your employees of the upcoming new deduction.

What Employers Should Do: Engage will handle the deductions, filing and payment of these contributions on your behalf as a Third-Party Administrator. They will be handled in the same manner as the deductions being made for the Washington Paid Family Medical Leave. If you have any questions, please contact your Engage Human Resources Consultant or Account Manager or the State of Washington at 844-CARE4WA or on their website.

CITY OF SEATTLE ADDS CASTE AS A PROTECTED CATEGORY

What's New: Effective March 25, 2023, Seattle amended its Fair Employment Practices Ordinance to add caste as a protected category.

What it Means: Seattle's Fair Employment Practices Ordinance now prohibits discrimination in employment and educational opportunities based on a person's caste. The law defines caste as "a system of rigid social stratification characterized by hereditary status, endogamy, and social barriers sanctioned by custom, law, or religion."

What Employers Should Do: Employers who do business in the City of Seattle should familiarize themselves with the law, train their managers and employees and update their policies to ensure compliance. If you have any questions, please contact your Engage Human Resources Consultant.