

# Frequently Asked Questions

## Long-term Care Insurance for Boeing employees working in Washington State

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## **Washington Cares Fund**

### **What is the Washington Cares Fund?**

The Washington Cares Fund is a new state-mandated program that provides basic long-term care benefits for eligible Washington residents through a new .58% payroll tax which goes into effect Jan. 1, 2022.

### **What is long-term care?**

Long-term care (LTC) involves a variety of services designed to meet a person's health or personal care needs during a period of time. Most LTC is provided at home; however, it can also be provided in a facility such as a nursing home, assisted living facility, or an adult day care center. The most common type of LTC is personal care—help with everyday activities, also called "activities of daily living." These activities include bathing, dressing, eating, using the toilet, and moving around—for example, getting out of bed and into a chair.

### **When does the Washington Care Fund go into effect?**

Starting Jan. 1, 2022, if you are employed in Washington, the state will apply a 0.58% payroll tax on all W-2 compensation to fund the program (including but not limited to base pay, commission, stock-based compensation and bonus). This new payroll tax is required unless you formally opt out of the state plan by purchasing your own private long-term care policy before Nov. 1, 2021. To opt out, you must also request and receive an exemption from the state and submit to Boeing Payroll; see the section "Opting Out" below for more information.

### ***Important Dates***

- Oct. 1, 2021, through Dec.31, 2022 – WA State opt-out period (see 'Opting Out' below)
- Nov. 1, 2021 – You must have obtained private LTC insurance **before** this date, if you wish to request an exemption
- Jan. 1, 2022 – Payroll tax deductions begin for affected Washington employees
- Jan. 1, 2025 – First date on which a claim for state LTC benefits under the Cares Fund can begin

## **Who is covered by the Washington Cares Fund?**

Washington residents aged 18 and older who meet the minimum vesting requirements are eligible to apply for LTC benefits under the Cares Fund beginning in 2025. Employees contribute through payroll tax deductions and are covered under this program; non-working dependents are not covered under this program. More information can be found on the state site [www.wacaresfund.gov](http://www.wacaresfund.gov).

## **What LTC benefits are provided under the Washington Cares Fund?**

### *The Benefit*

Washington employees who meet the eligibility requirements and do not opt out may be entitled to an LTC benefit of up to \$100 per day subject to a lifetime maximum benefit of \$36,500, to pay for long-term care services and support.

To qualify for benefits from the Cares Fund you must have worked and/or contributed to the fund for:

- At least 10 years at any point in your life without a break of five or more years within those 10 years, or
- Three of the last six years at the time you apply for the benefit.
- You must have worked at least 500 hours per year during the 10- or three-year period used to qualify (as applicable).

### *The Services*

The LTC benefit from the Cares Fund can be used by:

- Washington residents who meet the [state's requirements](#)
- **IMPORTANT:** Residents who move out of state for five or more years forfeit both benefits and premiums paid to date

The LTC benefit from the Cares Fund can be used for a range of services and supports provided in the state of Washington such as:

- Professional in-home care
- Nursing home stays and other long-term care
- Adaptive equipment and assistive technology
- Home accessibility modifications
- Support for family members who are providing care
- Home-delivered meals
- Rides to the doctor

LTC benefits are paid directly to providers at Medicaid-comparable rates. Family members may qualify as long-term care givers upon receiving 21 - 35 hours of formal training.

## **What income is subject to the payroll tax for the Washington Cares Fund?**

All wages included on your Form W-2, including, but not limited to base pay, commissions, stock-based compensation, bonuses, paid time off, and severance pay are subject to the payroll tax. There is no limit on W-2 compensation subject to the payroll tax; whether your total W-2 compensation is \$30,000 or \$300,000 per year, you will pay 0.58% payroll tax on the compensation.

### **Will the Washington Cares Fund tax increase?**

Although currently designed to remain level, there is no guarantee that the payroll tax will remain fixed.

### **How does the Washington Cares Fund payroll tax impact me if I live in another state, but work and pay taxes in Washington?**

If you work in Washington but live in another state such as Oregon or Idaho, your pay will be subject to this payroll tax, but you will not be able to receive LTC benefits from the Cares Fund unless you are a Washington resident at the time you request and receive benefits under the program.

### **How can I find out more about the Trustmark LTC option?**

When the special enrollment period opens on July 26 there will be several ways to get information and enroll:

- **Online:** Boeing employees in Washington State can go to the Trustmark enrollment website. The URL will be made available on July 26. To see plan rates employees will need to register on the enrollment website using their BEMSID.
- **Phone:** Dedicate counselors are available to help employees decide which LTC coverage option works best for their situation. They will be available daily from 8 a.m. to 5 p.m. Pacific Time. The phone number will be made available on July 26.

Additionally, Trustmark is offering informational webinars where employees will be able to ask questions. Advanced registration will be available on the Trustmark website beginning July 26. Scheduled dates and times are:

- Wednesday, July 28 11 a.m. – Noon Pacific
- Monday, Aug. 2 4 p.m. – 5 p.m. Pacific
- Wednesday, Aug 4 11 a.m. – Noon Pacific
- Thursday, Aug 12 4 p.m. – 5 p.m. Pacific

## **Opting Out of the Washington Cares Fund**

### **What is opting out?**

Opting out and applying for an exemption from the state program requires purchasing a qualifying private LTC insurance policy before Nov 1, 2021, **and** then providing proof of this coverage to the state in accordance with the state's exemption process, **and** then providing proof of a granted exemption to your employer. Currently, we understand an exemption can be requested beginning Oct. 1, 2021 and no later than Dec 31, 2022. However, you need to have a qualifying private LTC insurance policy in place before Nov. 1, 2021. Employees who receive an exemption from the state of Washington will be **permanently ineligible** for Washington Cares Fund coverage and can **never** become a qualified individual or eligible beneficiary.

### **What is qualifying private LTC insurance?**

According to Washington state law, an insurance policy (contract or rider) is a qualifying private LTC insurance for opt out purposes if the policy provides coverage for at least 12 consecutive months in the event the insured person experiences a debilitating prolonged illness or disability. For additional details refer to definition at [RCW 48.83.020 \(leg.wa.gov\)](http://leg.wa.gov).

### **Should I opt out?**

The decision to participate in the WA Cares Fund or opt out depends on many factors, including your age, your wages, how long you will work, whether you plan to move outside Washington, what amount of LTC coverage you need, and how much you are able to pay for LTC insurance.

### **How do I opt out of the Washington Cares Fund payroll tax?**

If you have a private LTC insurance policy in place **before** Nov. 1, 2021, you can apply for exemption from the state program. You will need to:

- File for an exemption with Washington State Employee Security Department (ESD) which entails:
  - Filling out an online form,\*
  - Attesting to having qualifying private LTC insurance, and
  - Providing identification confirming you are over the age of 18.
- Provide a copy of your exemption letter to Boeing.
  - Details regarding the process to submit your exemption letter to Boeing will be provided in future communications.

\*As of now, the exemption web form is not yet available from the state. Please check back for additional details.

### **How long do I have to opt out of the Washington Cares Fund payroll tax?**

If you have a private LTC policy in effect before Nov. 1, 2021, you have from Oct. 1, 2021 through Dec. 31, 2022, to request an exemption from the state.

Approved exemptions will take effect on the first day of the quarter immediately following the approval of the exemption to opt out of the payroll tax. For example: If your request is approved in October, it will be effective January 1 – the first day of the following quarter. An exempt employee must provide written notification to all current and future employers of an approved exemption. Please note that retroactive payroll tax adjustments will not be made.

Because the payroll tax begins Jan. 1, 2022, in order to avoid paying any tax associated with the Washington Cares Fund, you must receive an approved exemption from the state and submit it to Boeing payroll prior to Dec. 31, 2021.

### **Once exempted, can I opt back into the Washington Cares Fund and resume the Washington Cares Fund payroll tax?**

No. Employees who receive an exemption from the state are **permanently ineligible** for coverage under the Washington Cares Fund and as the law is currently written can never become a qualified individual or eligible beneficiary.

Washington State reserves the right to potentially amend the law in the future. You will need to inform Boeing and any future employer for whom you work within Washington that you have permanently opted out.

If you fail to provide notice to your employer that you have received an exemption and the employer withholds the Washington state payroll tax, you will not be able to get a refund and you will not be eligible for Washington Cares Fund benefits. You are encouraged to consult a financial or tax advisor to determine if opting out is the right decision for you.

## **Do any of my Boeing benefits make me eligible to opt out of the Washington Cares Fund?**

No. Boeing does not sponsor an LTC insurance benefit. The following types of benefits are all different from long-term care insurance.

- **Health insurance plans** are designed to cover the cost of medical care and treatment, but not personal long-term care covered under LTC.
- **Life insurance** – pays a lump sum benefit when you die.
- **Short and long-term disability** – income replacement (a percent of pay or fixed amount paid out periodically) while out on an approved medical leave.
- **Accidental death and dismemberment** – pays out a lump sum benefit if either of these occur.
- **Critical illness** – pays out a lump sum benefit if diagnosed with one of the covered critical illnesses.
- **Medicare** does not generally pay for LTC. Medicare may pay for medically necessary skilled care up to 100 days in a facility or in your home if you meet certain criteria.
- **Medicaid** is a joint federal and state program that will pay for certain health services for people with limited income and resources. To qualify for Medicaid, you must meet state-specific poverty guidelines. The state may then help pay for nursing home care or other health care costs.

In comparison, long-term care insurance is designed to pay a designated monthly amount up to your plan maximum to help with “activities of daily living.” These activities generally include, for example, feeding yourself, hygiene, transitioning from a wheelchair/bed, and medication management if you are physically or mentally impaired.

## **How do I purchase private LTC Insurance?**

You can contact any private insurance carriers you want. To assist, all Boeing employees in Washington State will be eligible for optional, voluntary LTC products offered by Trustmark. Boeing is providing access to Trustmark, but does not sponsor the Trustmark products. Employee will work with and pay premiums directly to Trustmark, just like they would for other personal insurance coverage such as home or auto insurance.

## **Does the Trustmark LTC insurance policy include life insurance benefits?**

The Trustmark product is a Universal Life (UL) insurance policy that does the following:

- Provides more flexibility than whole life insurance
- Covers eligible LTC costs for daily living and personal care
- Pays a life insurance benefit to your beneficiary upon your death
- The cash value earns interest based on the current market or guaranteed interest rate, whichever is greater.

## **What is the maximum level of life insurance I can purchase under the Trustmark LTC insurance policy during this special enrollment, and what is the maximum amount that is guaranteed issue (no proof of my health status)?**

The maximum amount you can purchase without proving your health status is \$150,000 if you are between the ages of 18-64.

## **How will my Trustmark LTC insurance policy premium be determined?**

Your monthly premium is based on your age, benefit amount selected, and tobacco use. Once the policy is purchased, your premium is locked-in (i.e., won't change).

**What LTC benefits are available under the Trustmark LTC insurance policy?**

You can access 4% of the death benefit per month if you require help with at least two of the six activities of daily living – eating, bathing, dressing, transferring (walk/move), toileting, and continence (bladder/bowel control) – or suffer cognitive impairment. You get 2x the selected death benefit amount as your total LTC benefit. For example, if you purchase a \$100,000 policy you would be able to access \$4,000 a month for LTC services and you would have a total LTC benefit of \$200,000.

**How does the Trustmark LTC insurance policy compare to the Washington Cares Fund?**

A comparison grid is attached below for your review.

Design Specifications	WA Cares Fund Program	Trustmark LTC + Life Insurance Policy
<b>LTC Benefit Amount (in today's dollars)</b>	\$3,000 per month	\$1,000 - \$6,000 / Month
<b>Total LTC Benefit Amount (in today's dollars)</b>	\$36,500	\$50,000 - \$300,000
<b>Death Benefit/Life Insurance</b>	None	Yes
<b>Benefit Increase Option</b>	Subject to review by Trust Commission, not to exceed the Washington Consumer Price Index	No
<b>Waiting Period (Vesting)</b>	At least 10 years at any point in your life without a break of five or more years within those 10 years, or three of the last six years and at least 500 hours per year during those 10 or three years (as applicable).	None
<b>Payment Type</b>	Payroll tax contribution	ACH - Direct Bill
<b>Program Cost</b>	.58% of wages	Rates based on age, tobacco use status, and benefit amount elected
<b>Qualifying Benefit Triggers</b>	Three of 10 Activities of Daily Living and other defined issues	Two of six Activities of Daily Living or Severe Cognitive Impairment such as Alzheimer's Disease or Dementia

Design Specifications	WA Cares Fund Program	Trustmark LTC + Life Insurance Policy
<b>Covered Benefits</b>	Professional or personal care in your home, a licensed residential facility or a nursing facility and other long-term care services. Visit the DSHS website for additional benefits.	Designed to provide coverage for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance or personal care services that are provided in a long-term care facility, in the community or in your home. The plan provides coverage in the form of a fixed dollar indemnity benefit, by accelerating 4% of the death benefits available under your certificate for long-term care expenses.
<b>Is Severe Cognitive Impairment an Independent Trigger?</b>	No	Yes
<b>Portable across state lines?</b>	No	Yes (within US only)
<b>Reimbursement vs Cash Benefit Payments</b>	Reimbursement directly to provider(s)	Cash
<b>Contract oversight by Washington OIC</b>	No	Yes
<b>Significant pre-existing conditions approved</b>	Yes	Yes (up to age 64)

**Is caregiving provided by a family member or relative covered by the Trustmark LTC insurance policy?**

Yes, as long as you are receiving formal care services from a home health care agency, adult day care, assisted living facility or LTC facility, any cash left over can be used at your discretion for informal care expenses, such as informal caregiving by friends or family, meal preparation, household services, etc.

**Can my Trustmark LTC insurance policy’s premium go up based on my age?**

No, your premium does not increase due to age. You lock-in your premium based on your age at enrollment.



**If I am receiving LTC benefits under the Trustmark LTC insurance policy, do I continue to pay premiums?**

No, premium payments will be waived while you are receiving payments under the LTC benefit.

**Eligibility & Enrollment**

**When can I enroll in the Trustmark LTC insurance policy?**

You can enroll in the Trustmark LTC insurance policy from July 26, 2021 through Aug. 13, 2021, for a policy effective Oct. 1, 2021, which is before the Washington Cares Fund deadline of Nov. 1, 2021.

**Who is eligible to enroll in the Trustmark LTC insurance policy?**

You are eligible to elect this plan during the enrollment period of July 26, 2021 through Aug. 13, 2021, if at the time of your enrollment you are:

- A Boeing employee scheduled to work 19 or more hours a week;
- A US resident living within the US and working in Washington State; and
- Age 18-70.

The policy is also available to your spouse or partner, ages 18-70, with medical underwriting (health questions). Children under the age of 23, including natural, stepchildren, legally adopted or under legal guardianship can also be enrolled into the program.

**Are expatriates eligible for the Trustmark LTC insurance policy?**

Expatriates are eligible for coverage. However, an expatriate would need to have a U.S. address and sign the application in the U.S. to obtain a policy

**Do I need to answer health questions or provide proof of good health to enroll in the Trustmark LTC insurance policy?**

It depends on your age. Employees age 18 – 64 at enrollment qualify for guaranteed acceptance – meaning you do not have to complete a health questionnaire in order to enroll and *you cannot be turned down because of a health condition*. Keep in mind the **guaranteed acceptance offer is only available during the enrollment window of July 26, 2021 through Aug. 13, 2021**. If you are age 65-70, you will be required to provide evidence of insurability before coverage will be effective. Enrollment is not available for those age 71 and older. As noted above, for a death benefit amount greater than of \$150,000, medical underwriting of your health status is required.

**What information do I need to have available when I enroll in the Trustmark LTC insurance policy?**

In order to register on the Trustmark enrollment platform, you'll need your BEMSID. You'll also need to provide your name, date of birth, gender, address, personal email, personal phone number, date of hire, annual salary (for WA Cares Fund Tax calculation), SSN and scheduled hours worked per week.

**How long will it take to go through the full enrollment process for the Trustmark LTC insurance policy?**

The enrollment process generally takes approximately 10 to 15 minutes to complete.

**What if I have a pre-existing condition?**

The Trustmark LTC insurance policy includes a 6/6 pre-existing condition clause meaning if a claim is filed within the first six months from the enrollment date due to a pre-existing condition began within the six months immediately prior to the enrollment date, the claim would not be paid. If a claim is filed after six months from the enrollment date, the pre-existing condition clause is void.

**Do I have to enroll in the Trustmark LTC insurance policy each year?**

No, after you have enrolled, you do not need to reenroll each year.

**Can I enroll in the Trustmark LTC insurance policy after the special enrollment period?**

No, this is a one-time limited enrollment period.

**I am not a Washington employee; can I still go through the enrollment process and purchase a Trustmark LTC insurance policy?**

At this time, this voluntary LTC insurance coverage is only available to Boeing (and subsidiary) employees who work in the state of Washington.

**Should I wait until I am older to buy an LTC policy?**

In order to opt out of the Washington Cares Act and associated payroll taxes, you must have obtained qualifying private LTC insurance coverage prior to Nov. 1, 2021. The Trustmark LTC insurance policy is being made available to Boeing employees during this enrollment period only. Also, premiums are based on your age when you enroll. Typically, the younger you are, the lower your premiums will be.

**As a new hire, is there a waiting period to enroll in the Trustmark LTC insurance policy?**

A Washington employee working 19 hours or more per week, is eligible to enroll during the July 26 – Aug. 13, 2021, enrollment period.

**If I have an existing LTC policy, should I retain the existing policy?**

Generally, it's not recommended to replace existing coverage. In most instances, since the premiums are based at the time of initial enrollment, retaining your existing policy is typically more cost efficient. You are encouraged to determine whether your existing policy would be considered qualifying private LTC insurance under Washington state law.

**Does purchasing the Trustmark LTC insurance policy automatically opt me out of the Washington Cares Fund and payroll tax?**

No. Employees who enroll in the Trustmark LTC insurance policy are still required to submit an online request for exemption directly to Washington State between Oct. 1, 2021 and Dec. 31, 2022, and provide proof of a state-granted exemption to their employer. More details on the exemption process will be provided as Boeing continues to learn more from the state.

**Can I cancel my Trustmark LTC insurance policy at any time?**

Yes, you may cancel your LTC policy any time by submitting a written request to Trustmark.

**Can I decrease my Trustmark LTC insurance policy at any time and what is the process to initiate this request?**

Yes, you may request a partial surrender any time after the first year through Trustmark Customer Care.

**What happens if I terminate employment or retire from Boeing?**

Your enrollment in the Trustmark LTC insurance policy is a voluntary, optional benefit that is fully portable, which means it is your policy and you can take it with you -- wherever you work and wherever you live. There are no changes to your benefits or premiums due unless you request such changes.

**What happens if I stop paying premiums toward my Trustmark LTC insurance policy?**

The policy will go into a grace period once the cash value is insufficient to pay the monthly deduction. Once the grace period is entered, the certificate will stay in force for 62 days.

**How soon will I receive my Trustmark certification of coverage after purchasing the plan during this special enrollment?**

Washington employees who purchase a Trustmark policy will receive a certificate of coverage approximately 10 to 14 business days after they complete enrollment. They will need to use it to file for an exemption from the WA Cares Fund program. Instructions on how to file for an exemption will come at a later date from the Employment Security Division of Washington.

**RESOURCES**

ADDITIONAL RESOURCES AND CONTACTS	
<b>WA Cares Fund</b>	<a href="http://www.wacaresfund.wa.gov/">http://www.wacaresfund.wa.gov/</a>
<b>Trustmark Comparison</b>	<a href="https://www.getitci.com/trustmark-vs-wa-cares-fund-boeing-faq">https://www.getitci.com/trustmark-vs-wa-cares-fund-boeing-faq</a>