



SEQUIM SCHOOL DISTRICT

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Payroll & Benefits Newsletter



Washington Long Term Services & Supports Trust Program



In 2019, Washington state enacted the Long-Term Services and Supports Trust Act, which is designed to provide eligible residents with up to \$100 per day, with a maximum lifetime limit of \$36,500 (adjusted for inflation), to pay for long-term care services including professional care at home or nursing facilities, care by family members, home-delivered meals, dementia support, and adaptive equipment (e.g., wheelchair ramps). Benefits will be available beginning on **January 1, 2025**.

The passage of the Long-Term Care Trust Act (HB1087), which becomes effective on January 1, 2022, makes Washington State the first state in the nation to create a publicly funded insurance program for workers. The program will be funded by employees, who will pay taxes through payroll deductions, like the Family Leave and Medical Leave plans that were enacted in 2018.

Key Points

- *In 2019, Washington State passed the first in the country, mandatory state sponsored Long Term Care (LTC) Program. This plan goes into effect January 1, 2022 for funding purposes.*
- *Employees will pay a payroll tax of 0.58% to fund the program's benefits.*
- *Eligible individuals may receive up to \$36,500 (as adjusted for inflation) to pay for a variety of long-term care services.*
- *Employees who have long term care insurance may apply for exemption from the payroll tax.*

The Washington Employment Security Department (ESD) is currently developing rules to implement certain provisions of the Program. ESD has released Phase 1 and 2 of the [proposed rules](#), which are scheduled to go into effect in June 2021 and September 2021, respectively. The ESD outlines a timeline of the implementation of the Program [here](#).

There is a one-time opt-out window from **October 1, 2021 to December 31, 2022** for individuals who have qualifying long-term care coverage from any source (e.g., their employer, spouse's employer, an individual policy) by **November 1, 2021**.

To be considered qualifying long-term coverage, the coverage must meet the requirements listed here: [RCW 48.83.020: Definitions. \(wa.gov\)](#).

Continued →

*"This pandemic has underscored an important truth that many educators have always known: we need each other. **Nothing can replace human connection.** Nothing can replace personal interactions. Nothing can replace relationships. Teachers do care about their students, and they understand that connecting with students is more important than ever. But they cannot carry the weight of the responsibility for the social and emotional health of all their kids. That's too much to bear. It takes a village." Steele Thoughts*

Continued from page 1

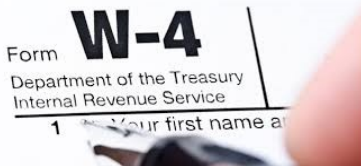


Your Payroll and Benefits Department has been working diligently to find an easy, simple, and affordable group Long Term Care policy that can be offered to employees which will allow those enrolling to opt out of the State LTC program and the tax.

Though you can choose where to find your own private long-term care insurance, we wanted to provide you with a resource if you needed a place to start. LTC Solutions, Inc. specializes in private long-term care insurance. If you would like to obtain a quote to purchase your own coverage, which would allow you to opt out of the tax, the team at LTC Solutions, Inc. could help. Their website is located at - <https://www.ltc-solutions.com/> or you can send them an email request at info@ltc-solutions.com.

In addition, we have a [compliance bulletin](#) which was provided by our insurance broker at The Partners Group which contains more detailed information.

We hope this helps but please let us know if you have any questions.



The 2021 Form W-4, Employee's Withholding Certificate, is very different from previous versions. This is due to the federal tax law changes that took place in 2018. The IRS is not requiring all employees to complete the revised form and has designed the withholding tables so that they will work with both the new and prior year forms. However, certain employees will be required to use the new form: those hired in 2020 and anyone who makes withholding changes during 2021.

Even though the IRS does not require all employees to complete the revised form and even if your tax situation has not changed, we recommend you perform a "paycheck checkup" to see if you need to make adjustments to your current withholding. To conduct the checkup, you can use the IRS's Tax Withholding Estimator (www.irs.gov/W4App).

Before completing the 2021 Form W-4, please read the instructions that are included with the form. You must complete Steps 1 and 5. Steps 2, 3, and 4 are optional, but completing them will help ensure that your federal income tax withholding will more accurately match your tax liability.



EXTRA! EXTRA! The Business Office is moving!!

- ⇒ Director of Business and Operations Darlene Apeland
- ⇒ Fiscal Specialist Betsy Zumkeller
- ⇒ Public Records Officer and HR Substitute Coordinator Ashley Slezak
- ⇒ Payroll, Benefits, and HR Specialist Haleigh Montelius
- ⇒ Payroll, Benefits, and HR Specialist Kathy Wright

We will now be located in the old Technology Office that is directly across the hallway from the Human Resources Office.



Nearing Retirement?

Plan 2/3 Teachers and School Employees ask: What's the best retirement month for me?

When it comes to retirement planning, teachers and school employees in Plans 2 and 3 often ask whether it's better to retire in July (when you stop working) or in September (when your contract ends).

There are several factors to weigh in choosing your retirement month, including what's gained from an earlier start to benefits and [cost-of-living adjustments](#) (COLAs) compared to what's earned from two extra months of service. And, starting this year, there's a new consideration: the impact of an earlier retirement on your health care costs.

This additional consideration relates to the recent launch of the School Employees Benefits Board (SEBB) program, which offers employer-supported health insurance options for teachers and school employees. While SEBB provides enrollment for working employees, it does not offer coverage for retirees.

The employee's separation date impacts SEBB coverage and retirement service credit. These three scenarios illustrate how:

June separation and last paycheck is June – employee resigns position effective June 30 and June is the last paycheck:

- Health care coverage through SEBB will be discontinued after June 30
- Report a June 30 separation date to SEBB
- Retirement can be July 1 at the earliest (no service credit for July and August)

June separation and last paycheck is August – employee resigns position effective June 30, but receives July and August paychecks:

- Health care coverage through SEBB will be discontinued after June 30
- Report a June 30 separation date to SEBB
- Retirement can be July 1 at the earliest (no service credit for July and August)

August separation and last paycheck is August – employee resigns position effective Aug. 31:

- Health care coverage through SEBB in July and August
- Report the Aug. 31 separation date to SEBB
- Service credit for July and August (except for TRS Plan 1)
- Retirement can be Sept. 1 at the earliest

If you have additional questions regarding this notice, please contact DRS Employer Support Services at 360-664-7200, option 2, or 800-547-6657, option 6, option 2, or [email us](#).

Payroll and Benefit Contact Info

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In order to give our employees up to date information the [Payroll page](#) on the Sequim School District website is continuously updated.

For your convenience you can find links to Employee Access, Direct Deposit form, Green Timesheet, Pre-Authorization for additional work hours, Para EI hours timesheet, & the 2021 W-4.

Information and links for the Department of Retirement Systems, SEBB, Health Savings Accounts, Washington State Paid Family Medical Leave, Washington State Long Term Care Trust, COBRA, FMLA, & VEBA.