

Against HB 1087: Long-Term Care Payroll Tax

What this bill will do:

- Establishes the Long-Term Services and Supports Trust Program (Trust Program) to provide benefits for long-term services and supports to qualified individuals who need assistance with at least three activities of daily living.
 - Establishes eligibility requirements: People who pay a premium of 0.58 percent of their wages for a specific amount of time. (Residents receive "qualified individual" status if: they are at least 18 years old and have paid the premium for either: (1) three years within the last six years, or (2) for a total of 10 years, with at least five of those years paid without interruption.)
1. **You have no choice about this payroll tax.**
 - a. Responsibly prepared for your own future? Well you have to invest in this option as well. Be prepared to expect a minimal return on your investment, if any return at all, as many will pay in but not meet the eligibility requirements.
 - b. Will raise approximately \$1 billion per year in new taxes.
 2. **The lifetime benefit is only \$36,500.**
 - a. The legislation provides eligible recipients \$100 a day for 365 days to help meet the cost of long-term care.
 - b. We will be training people to believe their long-term care problems will all be solved.
 - i. A cheap assisted living facility is around \$7000 per month.
 1. Will only cover about 6 months of care.
 2. Most people are living to a much older age, needing more long term care than has been historically necessary.
 - ii. This policy will make people think they don't have to do anything for themselves because the government will take care of them. Sort of like Social Security.
 1. How many people thought SS would be enough to take care of them in their old age and didn't do anything for themselves as a result?
 3. **You will lose your entire benefit if you do not live in Washington State when you need this care.**
 - a. If you pay into this over the course of your life, and then you move to another state, you are out of luck.
 - i. On the opposite end of the spectrum: If you live in another state and move here when you retire, work for a few years, paying into the system, you get the benefits.
 4. **This bill lacks the benefits needed to make it a good bill.**
 - a. Democrats will use the lackluster results of this program as an excuse to once again raise taxes in the future to help fund this venture, as people realize they aren't getting the return that they expected.
 - i. People will act as lobbyists for this program and eventually begin demanding more funding for this program, as the program as-is will not be enough to help the elderly in any meaningful way.