

LEGISLATIVE BILL 304

Approved by the Governor May 30, 2007

Introduced by Gay, 14; Engel, 17; Mines, 18; Pirsch, 4

FOR AN ACT relating to the Long-Term Care Savings Plan Act; to amend sections 77-6102 and 77-6105, Revised Statutes Cumulative Supplement, 2006; to redefine terms; to change provisions relating to authorized withdrawals; to harmonize provisions; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 77-6102, Revised Statutes Cumulative Supplement, 2006, is amended to read:

77-6102 For purposes of the Long-Term Care Savings Plan Act:

(1) Long-term care expense means the cost of long-term care in a long-term care facility and the cost of care provided in a person's home when the person receiving the care is unable to perform multiple basic life functions independently;

(2) Long-term care insurance premiums means premiums paid for a long-term care insurance policy issued pursuant to the Long-Term Care Insurance Act that offers coverage to the individual, ~~or the individual's spouse,~~ or another person for whom the taxpayer has an insurable interest;

(3) Participant means an individual who has entered into a participation agreement or established an account with a financial institution with which the State Treasurer has an agreement under subsection (1) of section 77-6103; and

(4) Qualified individual means (a) a person who ~~turned sixty-five years of age or older during the taxable year who has a medical necessity for long-term care during the taxable year,~~ (b) a disabled person who has a medical necessity for long-term care incurred long-term care expenses during the taxable year, ~~or (c) or (d)~~ or (b) a person who turned ~~sixty-two~~ fifty years of age or older during the taxable year who made payments for long-term care insurance premiums during the taxable year.

Sec. 2. Section 77-6105, Revised Statutes Cumulative Supplement, 2006, is amended to read:

77-6105 A qualified individual as defined in subdivision (4)(a) ~~or (b)~~ of section 77-6102 may make withdrawals as a participant in the Nebraska long-term care savings plan to pay or reimburse long-term care expenses. A qualified individual as defined in subdivision ~~(4)(c)~~ (4)(b) of section 77-6102 may make withdrawals to pay or reimburse long-term care insurance premiums. Any participant who is not a qualified individual or who makes a withdrawal for any reason other than transfer of funds to a spouse, long-term care expenses, long-term care insurance premiums, or death of the participant shall be subject to a ten-percent penalty on the amount withdrawn. The State Treasurer shall collect the penalty.

Sec. 3. Original sections 77-6102 and 77-6105, Revised Statutes Cumulative Supplement, 2006, are repealed.