

## **OSBORN PUSHING TO INCREASE LONG-TERM CARE PLAN DEDUCTIONS**

By Meredith Gardner/Grand Island Independent  
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With health care costs rising and the baby boomers nearing retirement, now's the time to start saving for long-term health care expenses, said Nebraska State Treasurer Shane Osborn.

Nebraskans are encouraged to participate in the treasurer's office's new Long-Term Care Savings Plan, which is available in Grand Island at Home Federal Bank and Equitable Bank.

Nebraska's plan is the first of its kind in the country, Osborn said, and is similar to the College Savings Plan of Nebraska in that it offers participants tax incentives. The earlier Nebraskans enroll in the plan, the better, Osborn said. When people don't plan for long-term health care expenses, the unexpected costs can cripple entire families, he said.

"We suggest doing it sooner rather than later," Osborn said. "Most people, they don't want to be a burden on their children ... By the time your kids are getting ready to leave the nest is a good time to start planning for this."

The plan also has the potential to help curb the rising costs of Medicare and other government-funded health care programs.

Any Nebraska citizen is eligible to enroll, and each participant can save up to \$165,000 tax-free for the life of the account, adjusted for inflation. They can use the account for either savings or investment.

Currently, the annual deduction for individual returns is \$1,000, while for joint returns it's \$2,000.

Osborn is currently working with state Sen. Tim Gay of Papillion to pass LB894, which would increase the tax deduction to \$2,500 for an individual return and \$5,000 for a joint return. That bill was recently designated a speaker priority bill for this session by Sen. Mike Flood.

Increasing the annual deduction should be a "nice shot in the arm" for participation, Osborn said.

The earnings used for defined expenses are tax-free. Qualified distributions include long-term care expenses at any age or long-term care insurance after age 50 for the account holder, spouse or other person in whom the account has an insurable interest. The balance of the account can also be transferred to a beneficiary after death.

Long-term care expenses can include licensed nursing or assisted living facility, in-home

assistance, basic therapeutic area, health maintenance activities, home health services, assistive home modifications, assistive technology, adult day care, rehabilitation treatments, respite and hospice care.

Osborn and his staff are working with other state banks to expand the availability of the plan.

Currently, four other states are working to pass legislation that would create similar long-term care savings plans, he said. Eventually, Osborn said, he'd like to see it grow into a federal program.

"Hopefully, this can help a little bit," Osborn said. "It's not the only solution, but it can help. It's in the right direction."

For more information on the Nebraska Long-Term Care Savings Plan, visit [www.treasurer.state.ne.us/lcsp/](http://www.treasurer.state.ne.us/lcsp/).